

AMERICA MOVIL SAB DE CV/
Form 20-F
April 26, 2016
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As filed with the Securities and Exchange Commission on April 26, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 20-F

Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
for the fiscal year ended December 31, 2015
Commission file number: 1-16269

AMÉRICA MÓVIL, S.A.B. DE C.V.
(exact name of registrant as specified in its charter)

America Mobile

(translation of registrant's name into English)

United Mexican States

(jurisdiction of incorporation)

**Lago Zurich 245, Plaza Carso / Edificio Telcel, Colonia Ampliación Granada, Delegación Miguel Hidalgo,
11529, Mexico City,**

México

(address of principal executive offices)

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(name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered:
A Shares, without par value	NASDAQ National Market
L Shares, without par value	New York Stock Exchange
2.375% Senior Notes Due 2016	New York Stock Exchange
Floating Rate Senior Notes Due 2016	New York Stock Exchange
5.625% Notes Due 2017	New York Stock Exchange
5.000% Senior Notes Due 2019	New York Stock Exchange
5.000% Senior Notes Due 2020	New York Stock Exchange
3.125% Senior Notes Due 2022	New York Stock Exchange
6.375% Notes Due 2035	New York Stock Exchange
6.125% Notes Due 2037	New York Stock Exchange
6.125% Senior Notes Due 2040	New York Stock Exchange
4.375% Senior Notes Due 2042	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

**The number of outstanding shares of each of the registrant's classes of capital or common stock as of
December 31, 2015:**

23,384 million

AA Shares

625 million	A Shares
41,990 million	L Shares

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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

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

If other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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AMÉRICA MÓVIL, S.A.B. DE C.V.

2015 ANNUAL REPORT ON FORM 20-F

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SELECTED FINANCIAL DATA

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

We present our financial statements in Mexican pesos. This annual report contains translations of various peso amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations as representations that the peso amounts actually represent the U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. Unless otherwise indicated, we have translated U.S. dollar amounts from pesos at the exchange rate of Ps.17.2065 to U.S.\$1.00, which was the rate reported by Banco de México for December 31, 2015, as published in the Official Gazette of the Federation (*Diario Oficial de la Federación*, or *Official Gazette*).

In June 2011, we effected a two-for-one stock split. Share and per share data for 2011 in this annual report have been adjusted to reflect the stock split. We have not included earnings or dividends on a per American Depository Share (ADS) basis. Each L Share ADS represents 20 L Shares and each A Share ADS represents 20 A Shares.

	For the year ended December 31,					
	2011	2012	2013	2014	2015	2015
	<i>(in millions of Mexican pesos, except share and per share amounts)</i>					<i>(millions of U.S. dollars, except share and per share amounts)</i>
Income Statement Data:						
Operating revenues	Ps. 689,966	Ps. 775,070	Ps. 786,101	Ps. 848,262	Ps. 894,217	U.S. 51,970
Operating costs and expenses	532,360	613,920	631,843	691,708	752,762	43,748
Depreciation and amortization	93,997	103,585	101,535	114,994	125,735	7,307
Operating income	157,606	161,150	154,258	156,554	141,454	8,222
Net profit	Ps. 88,199	Ps. 91,649	Ps. 74,974	Ps. 47,498	Ps. 36,961	U.S. 2,150

Net profit attributable to: Equity holders of the parent	Ps.	83,045	Ps.	90,988	Ps.	74,625	Ps.	46,146	Ps.	35,055	U.S.	2,039
Non-controlling interests		5,154		661		349		1,352		1,906		111
Net profit	Ps.	88,199	Ps.	91,649	Ps.	74,974	Ps.	47,498	Ps.	36,961	U.S.	2,150
Earnings per share:												
Basic	Ps.	1.06	Ps.	1.19	Ps.	1.02	Ps.	0.67	Ps.	0.52	U.S.	0.03
Diluted	Ps.	1.06	Ps.	1.19	Ps.	1.02	Ps.	0.67	Ps.	0.52	U.S.	0.03
Dividends declared per share ⁽¹⁾	Ps.	0.18	Ps.	0.20	Ps.	0.22	Ps.	0.24	Ps.	0.26	U.S.	0.02
Weighted average number of shares outstanding (millions):												
Basic		78,599		76,111		72,866		69,254		66,869		3,886
Diluted		78,599		76,111		72,866		69,254		66,869		3,886

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	2011	2012	As of December 31,		2015	2015
	<i>(in millions of Mexican pesos, except share and per share amounts)</i>					<i>(millions of U.S. dollars, except share and per share amounts)</i>
Balance Sheet Data:						
Property, plant and equipment, net	Ps. 466,087	Ps. 500,434	Ps. 501,107	Ps. 588,106	Ps. 573,529	U.S. 33,332
Total assets	939,603	987,685	1,025,592	1,278,357	1,296,487	75,349
Short-term debt and current portion of long-term debt	26,643	13,622	25,841	57,806	119,590	6,950
Long-term debt	353,975	404,048	464,478	545,949	563,627	32,757
Total equity	236,461	254,848	210,301	234,639	160,854	9,348
Capital stock	96,420	96,415	96,392	96,383	96,338	5,599
Number of outstanding shares (millions):						
AA Shares	23,424	23,424	23,424	23,384	23,384	
A Shares	756	712	681	649	625	
L Shares	52,810	51,703	46,370	44,120	41,990	
Ratio of Earnings to Fixed Charges⁽²⁾	5.6	5.4	3.9	3.5	2.5	

- (1) Figures for each year provided represent the annual dividend declared at the general shareholders meeting that year. For information on dividends paid per share translated into U.S. dollars, see Share Ownership and Trading Dividends under Part IV.
- (2) Earnings, for this purpose, consist of profit before income tax, plus interest expense, interest implicit in operating leases and current period amortization of interest capitalized in prior periods, minus equity interest in net income of associates, during the year.

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PART I: INFORMATION ON THE COMPANY

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Information On The Company

ABOUT AMÉRICA MÓVIL

HISTORY AND CORPORATE INFORMATION

América Móvil, S.A.B. de C.V. (América Móvil, we or the Company) is a *sociedad anónima bursátil de capital variable* organized under the laws of Mexico. We were established in September 2000 when Teléfonos de México, S.A.B. de C.V. (Telmex), a fixed-line Mexican telecommunications operator privatized in 1990, spun off to us its wireless operations in Mexico and other countries. We have made significant acquisitions throughout Latin America, the United States, the Caribbean and Europe, and we have also expanded our businesses organically. In 2010, we acquired control of Telmex and Telmex Internacional, S.A.B. de C.V. (currently, Telmex Internacional, S.A. de C.V., or Telmex Internacional) in a series of public tender offers. We continue to look for other investment opportunities in telecommunications companies worldwide, including in markets where we are already present, and we often have several possible acquisitions under consideration.

Our principal executive offices are located at Lago Zurich 245, Plaza Carso / Edificio Telcel, Colonia Ampliación Granada, Delegación Miguel Hidalgo, 11529, Mexico City, México. Our telephone number at this location is (5255) 2581-4449.

BUSINESS OVERVIEW

We provide telecommunications services in 25 countries. We are the leading telecommunications services provider in Latin America ranking first in wireless, fixed-line, broadband, and Pay TV services based on the number of revenue generating units (RGUs). Our largest operations are in Mexico and Brazil, which together account for over half of our total RGUs and where we have the largest market share based on RGUs. We also have major wireless, fixed or Pay TV operations in 16 other countries in the Americas and seven countries in Central and Eastern Europe as of December 31, 2015. For a list of our principal subsidiaries, see Additional Information Exhibit 8.1 under Part VII of this annual report.

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

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The following map illustrates the geographic diversity of our operations and certain key performance indicators (KPIs) as of December 31, 2015.

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

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

	As of December 31,		
	2013	2014	2015
	<i>(in thousands)</i>		
Wireless Subscribers:			
Mexico Wireless	73,505	71,463	73,697
Brazil	68,704	71,107	65,978
Colombia	28,977	29,775	28,973
Southern Cone	28,166	27,754	29,186
Andean Region	23,886	24,270	20,743
Central America	17,222	13,973	15,317
Caribbean	5,764	5,092	5,261

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United States	23,659	26,006	25,668
Europe		20,008	20,711
Total Wireless Subscribers	269,883	289,448	285,534
Fixed RGUs:			
Mexico Fixed	22,451	22,250	21,735
Brazil	32,683	36,096	36,627
Colombia	4,748	5,307	5,801
Southern Cone	1,714	1,826	1,819
Andean Region	1,343	1,576	1,727
Central America	4,261	4,606	4,950
Caribbean	2,244	2,347	2,511
Europe		4,402	5,642
Total Fixed RGUs	69,444	78,410	80,812
Total RGUs	339,327	367,858	366,346

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Information On The Company

PRINCIPAL OPERATIONS

We operate in all of our geographic segments under the Claro brand, except in Mexico, the United States and Europe, as described in the list below. For a list of our principal subsidiaries, see Additional Information Exhibit 8.1 under Part VII of this annual report.

Mexico Wireless: Radiomóvil Dipsa, S.A. de C.V. (Telcel)

Mexico Fixed: Telmex

Brazil: Claro S.A. (Claro Brasil), Americel S.A. (Americel), Embratel Tvsat Telecomunicações S.A. (Claro TV) and Star One S.A. (Star One)

Colombia: Comunicación Celular S.A. (Comcel) and Telmex Colombia S.A. (Telmex Colombia)

Southern Cone: AMX Argentina S.A. (AMX Argentina), Telmex Argentina S.A. (Telmex Argentina), Claro Chile S.A. (Claro Chile), Claro Comunicaciones S.A. (Claro Comunicaciones), Claro Servicios Empresariales S.A. (Claro Servicios Empresariales), AMX Paraguay S.A. (AMX Paraguay), AM Wireless Uruguay S.A. (AM Wireless Uruguay), Telstar S.A. and Flimay (Flimay)

Andean Region: Consorcio Ecuatoriano de Telecomunicaciones S.A. (Conecel), Ecuador Telecom S.A. (Ecuador Telecom) and América Móvil Perú S.A.C. (Claro Perú)

Central America: Compañía de Telecomunicaciones de El Salvador (CTE), S.A. de C.V. (CTE), CTE Telecom Personal, S.A. de C.V. (CTE Telecom Personal), Telecomunicaciones de Guatemala S.A. (Telgua), Empresa Nicaragüense de Telecomunicaciones S.A. (Enitel), Servicios de Comunicaciones de Honduras, S.A. de C.V. (Sercom Honduras), Claro CR Telecomunicaciones S.A. (Claro Costa Rica) and Claro Panamá S.A. (Claro Panamá)

Caribbean: Compañía Dominicana de Teléfonos S.A. (Codetel) and Telecomunicaciones de Puerto Rico, Inc. (Telpri)

United States: TracFone Wireless, Inc. (TracFone)

Europe: Telekom Austria AG (Telekom Austria)

SERVICES AND PRODUCTS

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

Wireless Operations

In 2015, our wireless voice and data operations generated revenues of Ps.478.7 billion, representing 53.6% of our consolidated revenues. As of December 31, 2015, our wireless operations represented approximately 77.9% of our total RGUs, compared to 78.7% as of December 31, 2014.

Voice

Our wireless subsidiaries provide voice communication services across the countries in which they operate. We offer international roaming services to our wireless subscribers through a network of cellular service providers with which our wireless subsidiaries have entered into international roaming agreements around the world, and who provide GSM, LTE and 3G roaming services. Our wireless subsidiaries had approximately 285.5 million wireless subscribers as of December 31, 2015.

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Our wireless voice services are offered under a variety of pricing plans to meet the needs of different market segments. The plans are either postpaid, where the customer is billed monthly for the previous month, or prepaid, where the customer pays in advance for a specified volume of use over a specified period. The breakdown of our wireless subscribers is approximately 77.9% prepaid and 22.1% postpaid.

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

In general, our average rates per minute of wireless voice are very competitive for both prepaid and postpaid plans. However, the rates in 2015 declined an average of 7.5%, at constant exchange rates, over 2014 to similar levels to those observed in most developed markets. In addition, the plans we offer our retail customers include selective discounts and promotions that reduce the effective rates our customers pay.

Data and Value-Added Services

We offer data communications services in our pricing plans together with wireless voice services. As part of our wireless data business, our subsidiaries offer value-added services that include internet access, messaging and other wireless entertainment and corporate services through GSM/EDGE, 3G and 4G LTE networks. Internet services include roaming capability and wireless internet connectivity for feature phones, smartphones, tablets and laptops, including data transmission, e-mail services, instant messaging, content streaming and interactive applications. For example, in Mexico, our website Claroideas, under Telcel, offers a wide range of services and content such as video, music, games and other applications, which subscribers can access from mobile devices.

In addition, we offer other wireless services, including wireless security services, mobile payment solutions, machine-to-machine services, mobile banking, VPN services, video calls and Personal Communications Service (PCS).

Fixed Operations

In 2015, our fixed voice, data, broadband and IT solutions had revenues of Ps.209.6 billion representing 23.4% of our consolidated revenues. As of December 31, 2015, our fixed operations represented approximately 22.1% of our total RGUs, compared to 21.3% as of December 31, 2014.

Voice

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

Data

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

Broadband

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

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Information On The Company

IT Solutions

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

Pay TV

We offer Pay TV through cable and satellite TV subscriptions to both retail and corporate customers under a variety of plans. As of December 31, 2015, we had approximately 21.8 million Pay TV RGUs.

Our largest Pay TV market is in Brazil, where we are the leading provider of Pay TV services. We offer satellite Pay TV services through direct-to-home (DTH) technology through our ClaroTV brand and cable TV through our Net Serviços brand. We offer these services through individual subscription plans as well as in bundled packages of services, along with broadband, fixed voice and wireless services.

Equipment, Accessories and Computer Sales

Equipment, accessories and computer sales revenues primarily include revenues from the sale of handsets, accessories and other equipment. Most of our new customers purchase a handset upon entering into a contract, and while we also offer new handsets to existing customers, growth in equipment, accessories and computer sales revenues are driven primarily by the number of new customers. The pricing of handsets reflects our expectation that we will receive revenues from the use of the handset, and therefore is not established primarily to make a profit.

Other Services

Other services include revenues from other businesses, such as telephone directories, call center services, wireless security services and a publishing company.

OTT Services

We sell video, audio and other media content that is delivered through the internet directly from the content provider to the viewer or end user. Our most important service is ClaroVideo, an on-demand internet streaming video provider with more than 34,000 content titles sold across all the Latin American and Caribbean markets in which we operate. We sometimes offer bundled packages of ClaroVideo with Pay TV services, or customers may also have unlimited access to ClaroVideo for a fixed monthly subscription fee.

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	Wireless Voice, Data and Value Added Services ⁽¹⁾	Fixed Voice, Broadband, Data and IT Services ⁽²⁾	Pay TV	OTT Services ⁽³⁾
Argentina	ü	ü		ü
Austria	ü	ü	ü	ü
Belarus	ü			
Brazil	ü	ü	ü	ü
Bulgaria	ü	ü	ü	
Chile	ü	ü	ü	ü
Colombia	ü	ü	ü	ü
Costa Rica	ü	ü	ü	ü
Croatia	ü	ü	ü	
Dominican Republic	ü	ü	ü	ü
Ecuador	ü	ü	ü	ü
El Salvador	ü	ü	ü	ü
Guatemala	ü	ü	ü	ü
Honduras	ü	ü	ü	ü
Macedonia	ü	ü	ü	
Mexico	ü	ü		ü
Nicaragua	ü	ü	ü	ü
Panama	ü	ü	ü	ü
Paraguay	ü	ü	ü	ü
Peru	ü	ü	ü	ü

Puerto Rico	ü	ü	ü	ü
Serbia	ü			
Slovenia	ü			
Uruguay	ü	ü		ü
United States	ü			

- (1) Includes voice communication and international roaming services, interconnection and termination fees (with the exception of Mexico), SMS, MMS, e-mail, mobile browsing, entertainment and gaming applications.
- (2) Includes local calls, national and international long distance.
- (3) Includes ClaroVideo and ClaroMúsica.

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Information On The Company

OUR NETWORKS

Our networks are one of our main competitive advantages. Today, we operate one of the largest integrated platform across 13 countries in Latin America based on our covered population and are in the process of expanding our network in Europe.

Infrastructure

For the year ended December 31, 2015, our capital expenditures totaled Ps.151.6 billion, which allowed us to increase the coverage of our networks, to expand their capacity and to upgrade our systems to operate with the latest technologies. With fully convergent platforms, we are able to widely deliver high quality voice, video and data products.

As of December 31, 2015, the main components of our infrastructure were comprised of:

Base stations: 173,000 (of which 98,653 are equipped with 3G and 4G capabilities).

Fiber-optic network: 680,000 km. Our network passed approximately 64 million homes as of December 31, 2015.

Submarine cable system: Capacity of more than 168,000 km in submarine cable. Our system includes 17,500 km from the AMX-1 submarine cable, which extends from the United States to Central America and Brazil and provides international connectivity to all of our subsidiaries in these geographic areas.

Satellites: Eight. Star One has the most extensive satellite system in Latin America with a fleet that covers the United States, Mexico, Central America and South America. We use these satellites to supply capacity for DTH services for Claro TV throughout Brazil and in other DTH operations, as well as cellular backhaul, video broadcast and corporate data networks. In July 2015, we launched a new satellite, Star One C4, and in November 2016, we expect to launch one more satellite, Star One D1, to replace Brasilsat B4.

Data centers: 18. We use our data centers to manage a number of Cloud solutions such as IAAS (Infrastructure as a Service), SAAS (Software as a Service), security solutions and unified communications.

In the United States, we do not own any wireless telecommunications facilities or hold any wireless spectrum licenses. Instead, we purchase airtime through agreements with wireless service providers and resell airtime to customers.

Through these agreements, we have a nationwide virtual network, covering almost all areas in which wireless services are available.

Technology

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

We transmit wireless calls and data through radio frequencies that we use under spectrum licenses. In certain markets, such as Mexico and Peru, spectrum is a limited resource and, as a result, we may face spectrum and capacity constraints on our wireless network. We continue to invest significant capital in expanding our network capacity and reach and to address spectrum and capacity constraints on a market-by-market basis. In 2015, we spent Ps.19.5 billion on the acquisition of spectrum licenses, mainly in Argentina, Ecuador and Puerto Rico.

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The table below presents a summary of the networks we offer in the countries where we operate and the distribution of spectrum as of December 31, 2015:

	Frequency Licenses						
	GSM/EDGE			3G		4G LTE	
	Frequency	Covered	Population (%)	Frequency	Covered	Population (%)	Population (%)
Argentina	850MHz	1900MHz	98%	850MHz	90%	700 MHz	45%
				1900MHz		1700/2100 MHz	
Austria	900MHz	1800MHz	99%	2100MHz	92%	800MHz+	74%
						2600MHz	
Belarus	900MHz	1800MHz	99%	2100MHz	94%		
Brazil	900MHz	1800MHz	92%	850MHz	81%	700MHz	45%
				2100MHz		2600MHz	
Bulgaria	900MHz	1800MHz	100%	900MHz+	100%	1800MHz	38%
				2100MHz		Launch in 2016	Launch in 2016
Chile	850MHz	1900MHz	97%	850MHz	87%	2600MHz	61%
				1900MHz			
Colombia	850MHz	1900MHz	91%	850MHz	74%	2500MHz	42%
				1900MHz			
Costa Rica	1800MHz		69%	2100MHz	75%	1800MHz	19%
Croatia	900MHz+		99%	900MHz+	98%	800MHz+	55%
	1800MHz			2100MHz		1800MHz	

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Dominican Republic	850MHz	1900MHz	96%	850MHz	99%	AWS	79%
Ecuador	850MHz	1900MHz	96%	850MHz	71%	AWS	17%
				1900MHz			
El Salvador	1800MHz		91%	1800MHz	69%		
Guatemala	900MHz	1900MHz	89%	1900MHz	61%	1900MHz	1%
Honduras	1900MHz		78%	1900MHz	60%	AWS	18%
Macedonia	900MHz	1800MHz	99%	900MHz	97%	800MHz+	54%
				2100MHz		1800MHz	
Mexico	850MHz	1900MHz	93%	850MHz	89%	AWS	58%
Nicaragua	850MHz	1900MHz	82%	850MHz	75%	AWS	4%
Panama	1900MHz		79%	1900MHz	79%	700MHz	38%
Paraguay	1900MHz		75%	1900MHz	66%		
Peru	850MHz	1900MHz	76%	850MHz	56%	1900MHz	39%
Puerto Rico	850MHz	1900MHz	78%	850MHz	81%	700MHz AWS	75%
				1900MHz			
				AW			
Serbia	900MHz	1800MHz	98%	2100MHz	88%	800MHz+	24%
						1800MHz	
Slovenia	900MHz	1800MHz	99%	900MHz	99%	800MHz	97%
				2100MHz		1800MHz	
Uruguay	1900MHz		91%	1900MHz	86%	AWS	50%

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Information On The Company

OUR COMPETITORS

We operate in an intensely competitive industry. The increased use of networks for value-added services has led to the emergence of new powerful players, including OTT providers. In Pay TV, our competitors are other operators that provide telephone and internet service and wireless telecommunications providers.

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

The table below presents our major competitors in each of our geographic segments as of December 31, 2015.

Mexico

Wireless Voice, Wireless Data
and Value-Added Services

AT&T, Teléfonos (Movistar), Axtel, Quickly Phone,
Telecomunicaciones 360 (Elektra), Virgin Mobile, Teligentia (Cierito),
Lycamobile, Coppel Móvil, Maz Tiempo, Ekofon

Fixed Voice, Fixed Broadband,
Fixed Data, IT Services and OTT Services

Grupo Televisa (IZZI), Axtel, Megacable, Cablecom México, Cablemas,
Maxcom, Megacable, Telecable, Totalplay, TVI

Brazil

Wireless Voice, Wireless Data
and Value-Added Services

Teléfonos Brasil (Vivo), TIM Celular, Oi, Algar Telecom, Sercomtel,
Nextel

Fixed Voice, Fixed Broadband,
Fixed Data and IT Services

Oi, Algar Telecom, Telefónica Brasil (Vivo)

Sky Brasil, Telefónica Brasil (Vivo), Oi

Pay TV and OTT Services

Colombia

Telefónica Colombia (Movistar), Colombia Móvil (Tigo), Virgin Mobile Colombia

Wireless Voice, Wireless Data and Value-Added Services

Fixed Voice

Telefónica Colombia (Movistar), Colombia Móvil (Tigo), Empresa de Telecomunicaciones de Bogotá (ETB), UNE Telecomunicaciones, Empresas Municipales de Cali (Emcali)

Fixed Broadband, Fixed Data and IT Services, Pay TV, OTT Services

Telefónica Colombia, Empresa Telecomunicaciones de Bogotá (ETB), UNE Telecomunicaciones, DirecTV Colombia, Empresas Municipales de Cali (Emcali)

Southern Cone

Wireless Voice, Wireless Data and Value-Added Services

Telefónica (Movistar), Telecom Argentina), Nextel Argentina, Entel, WOM, Millicom (Tigo), ANTEL, Virgin Mobile Chile, Personal, VTR GlobalCom, Tigo Paraguay

Fixed Voice, Fixed Broadband, Fixed Data and IT Services

Telefónica, Telecom Argentina, Telecentro Argentina, Entel, VTR GlobalCom, TelsurDirecTV Latin America, COPACO, Tigo Paraguay, ANTEL

Pay TV and OTT Services

DirecTV Chile, Telefónica (Movistar Chile), VTR GlobalCom, Tigo Paraguay

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Wireless Voice, Wireless Data and Value-Added Services	Andean Region Telefónica (Movistar), Entel Perú, CNT (Ecuador)
Fixed Voice, Fixed Broadband, Fixed Data and IT Services	CNT, Grupo TV Cable (Setel), Telefónica (Movistar)
Pay TV and OTT Services	CNT, Grupo TVCable, Telefónica (Movistar TV), DirecTV
Wireless Voice, Wireless Data and Value-Added Services	Central America Millicom (Tigo), Telefónica (Movistar), Digicel, Hondutel, ICE (Kolbi), Cable & Wireless (Panamá)
Fixed Voice, Fixed Broadband, Fixed Data and IT Services	Millicom (Tigo), Hondutel, ICE (Kolbi), Telefónica (Movistar), Cabletica (Costa Rica), Cable & Wireless (Panamá), Cable Color (Honduras)
Pay TV and OTT Services	Millicom (Tigo), Sky, Telefónica, ICE (Kolbi), Cable & Wireless (Panamá), Cable Color (Honduras), Cabletica (Costa Rica)
Wireless Voice, Wireless Data and Value-Added Services	U.S. Verizon, AT&T, T-Mobile, Sprint, U.S. Cellular
Wireless Voice, Wireless Data	Caribbean

and Value-Added Services

Altice (Orange), Tricom, AT&T, Sprint, T-Mobile,
PR Wireless (Open Mobile), Viva Dominicana

Fixed Voice, Fixed Broadband,

Altice (Orange), Tricom, AT&T, Liberty Cablevision, WorldNet

Fixed Data and IT Services

Pay TV and OTT Services

Tricom, Aster, Wind, Sky, Liberty Cablevision, DirecTV Puerto Rico,
Dish Network

Europe

Wireless Voice

T-Mobile, Hutchison Drei, Mobile TeleSystems, CJSC (life:)),
Bulgarian Telecommunications Company (VivaCom), Telenor,
Hrvatski Telekom, Tele2, Telekom Srbija, Telekom Slovenije, Telemach

Wireless Data and Value-Added Services

T-Mobile, Hutchison Drei, Mobile TeleSystems (MTS),
Bulgarian Telecommunications Company (VivaCom), Telenor,
Hrvatski Telekom, Tele2, Telekom Srbija, Telekom Slovenije, Telemach

Fixed Voice, Fixed Broadband,
Fixed Data and IT Services

Tele2, UPC Austria, Mobile TeleSystems, CJSC (life:),
Bulgarian Telecommunications Company (VivaCom), Bulsatcom,
Hrvatski Telekom, T-Mobile, Telekabel, Telekom Srbija, Telenor,
Telekom Slovenije, Telemach

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Information On The Company

MARKETING, SALES AND DISTRIBUTION, CUSTOMER SERVICES

Marketing

We advertise our services and products through different channels with consistent and distinct branding and targeted marketing. We advertise via print, radio, television, digital media, sports event sponsorships and other outdoor advertising campaigns. In 2015, our efforts were mainly focused on promoting our 4G LTE services, leveraging on the speeds and quality of our networks and our fixed bundled offers, which compete on broadband speeds and premium content.

We build upon the strength of our well-recognized brand names to increase consumer awareness and customer loyalty. Building brand recognition is crucial for our business, and we have managed to position our brands as those of a premium carrier in most countries where we operate. For example, in 2015, Claro was the highest-ranked telecom brand in Latin America, according to Brand Finance, while Telcel and Telmex were the second and third highest-ranked telecom brands, respectively, in Mexico. BrandZ also recognized Claro, Telcel and Telmex as three of the top four highest-ranked telecom brands in Latin America for 2015. In addition, Brand Finance ranked A1, the brand name behind Telekom Austria, as the strongest telecom brand in Austria.

Sales and Distribution

Our extensive sales and distribution channels help us attract new customers and develop new business opportunities. We primarily sell our services and products through a network of retailers and service centers for retail customers and a dedicated sales force for corporate customers with more than 230,000 points of sale and 2,500 customer service centers. Our subsidiaries also sell their services and products over the internet.

Customer Services

We give priority to providing our customers with quality customer care and support, with approximately 49,000 employees dedicated to customer service. We focus our efforts on constantly improving our customers' experience by leveraging our commercial offerings and our sales and distribution networks. Customers may make inquiries by calling a toll-free telephone number, accessing our subsidiaries' web sites or visiting one of the customer sales and service centers located throughout the countries we serve.

Table of Contents*Information On The Company***ACQUISITIONS, OTHER INVESTMENTS AND DIVESTITURES**

Geographic diversification has been a key to our financial success, as it has provided for greater stability in our cash flow and profitability, and has contributed to our strong credit ratings. In recent years, we have been evaluating the expansion of our operations to regions outside of Latin America. We believe that Europe and other areas beyond Latin America present opportunities for investment in the telecommunications sector that could benefit us and our shareholders over the long term. We continue to seek investment opportunities in telecommunications and related companies worldwide, including in markets where we are already present, and we often have several possible acquisitions under consideration. We can give no assurance as to the extent, timing or cost of such investments. We may pursue opportunities in Latin America or in other areas in the world. Some of the assets that we acquire may require significant funding for capital expenditures. For additional information on our acquisitions and investments, see Notes 12 and 13 to our consolidated financial statements.

Telesites Spin-Off

In October 2015, following the approval of the IFT and confirmation by the Mexican Tax Administration Service (*Servicio de Administración Tributaria*) of its tax implications, we completed the spin-off process of Telesites, S.A.B. de C.V. (Telesites), which had been approved by an extraordinary meeting of shareholders held in April 2015. The National Securities and Banking Commission (*Comisión Nacional Bancaria y de Valores*, or CNBV) authorized the registration of the shares of Telesites in December 2015, and we concluded the listing process on December 21, 2015. As of the date of the spin-off, the assets and liabilities of Telesites no longer appear on our consolidated balance sheet and Telesites liquidated debt owed to certain subsidiaries of América Móvil in the amount of Ps.21 billion.

KPN Investment

We accounted for our investment in KPN using the equity method until June 2015, when we then reclassified it to be an available-for-sale marketable equity security. Our investment in KPN is now carried at fair value with changes in fair value recognized through other comprehensive income (equity). When we changed the classification of our KPN investment, we recorded a pre-tax gain of approximately Ps.12.0 billion in our consolidated statement of comprehensive income. We have since recognized changes in fair value of our KPN investment of Ps.4.0 million through other comprehensive income (equity). For additional information on this change, see Notes 5 and 13 to our consolidated financial statements.

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PART II: OPERATING AND FINANCIAL REVIEW

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OVERVIEW

INTRODUCTION

Segments

We have operations in 25 countries, which are aggregated for financial reporting purposes into ten reportable segments. Our operations in Mexico are presented in two segments Mexico Wireless and Mexico Fixed, which consist principally of Telcel and Telmex, respectively. Our headquarters operations are allocated to the Mexico Wireless segment. Additional information about our segments, including financial information, is presented in Note 22 to our audited consolidated financial statements.

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

Constant Currency Presentation

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

Effects of Exchange Rates

Our results of operations are affected by changes in currency exchange rates. As discussed above, currency variations between the Mexican peso and the currencies of our non-Mexican subsidiaries, especially the Euro, U.S. dollar, Brazilian real, Colombian and Argentine pesos, affect our results of operations as reported in Mexican pesos. In 2015, the Mexican peso was generally stronger against our other operating currencies than in 2014, which tended to reduce the reported amounts attributable to our non-Mexican operations.

In addition, we recognize foreign exchange gains and losses attributable to changes in the value of our operating currencies, particularly the Mexican peso and Brazilian real, against the currencies in which our indebtedness and accounts payable are denominated, especially the U.S. dollar and the Euro. Appreciation of our operating currencies generally results in foreign exchange gains, while depreciation of these currencies generally results in foreign exchange losses. Changes in exchange rates also affect the fair value of derivative financial instruments that we use to manage our currency-risk exposures, which are generally not accounted for as hedging. In 2015, the Mexican peso and

the Brazilian real weakened against the currencies in which a portion of our indebtedness is denominated, and we recorded net foreign exchange losses of Ps.79.0 billion, which were partially offset by net fair value gains on derivatives of Ps.21.5 billion. In 2014, the Mexican peso and the Brazilian real also weakened against the currencies of our indebtedness, and we recorded net foreign exchange losses of Ps.28.6 billion and net fair value losses on derivatives of Ps.10.1 billion. See Note 8 to our audited consolidated financial statements.

Effects of Regulation

We operate in a regulated industry. Our results of operations and financial condition have been, and will continue to be, affected by regulatory actions and changes. In recent periods, for example, regulators have imposed or sought to impose decreases in, or the elimination of, interconnection rates, and we expect further decreases in

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Brazil, Chile, Peru, Ecuador and Colombia. We have offset lower interconnection revenues by attracting new customers with lower prices and new data services to increase traffic, but this may change. Significant regulatory developments are presented in more detail in Regulation under Part VI and Risk Factors under Part III of this annual report.

Effect of Consolidating Telekom Austria

As of December 31, 2015, we owned 59.7% of the total equity of Telekom Austria. We began consolidating Telekom Austria from July 1, 2014. Prior to July 1, 2014, we accounted for Telekom Austria using the equity method. The consolidation of Telekom Austria affects the comparability of our results for 2015, 2014 and 2013.

COMPOSITION OF OPERATING REVENUES

In 2015, our total operating revenues consisted of: wireless voice revenues (27.3% of total operating revenues), fixed voice revenues (11.7%), wireless data revenues (26.3%), fixed data revenues (11.7%), Pay TV revenues (7.3%), equipment, accessories and computer sales revenues (12.9%) and other services (2.8%).

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

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

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

Equipment, accessories and computer sales revenues primarily include revenues from the sale of handsets, accessories and other equipment. Most of our sales in equipment are driven by the number of new customers. The pricing of equipment is not geared primarily towards making a profit from equipment sales, because it also takes into account the service revenues that are expected to result when the handset is used.

Other services primarily include revenues from other businesses, such as advertising, entertainment content distribution, telephone directories, call center services, wireless security services and a publishing company.

Revenues are recognized at the time services are provided. Billed revenues for service not yet rendered are recognized as deferred revenues. Revenues from sales of prepaid services are deferred and recognized as airtime is used or when it expires, and they are included under wireless voice services.

Seasonality of our Business

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

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General Trends Affecting Operating Results

Our results of operations in 2015 reflected several continuing long-term trends, including:

intense competition, with growing costs for marketing and subscriber acquisition and retention, as well as generally declining customer prices;

changes in the telecommunications regulatory environment;

growing demand for data services over fixed and wireless networks, as well as for smartphones and devices with data service capabilities;

declining demand for voice services;

declining interconnection rates;

growing operating costs reflecting, among other things, higher cost for Pay TV and data services content, customer care services, as well as managing larger and more complex networks; and

overall macroeconomic conditions and foreign exchange volatility in the countries in which we operate. These trends are broadly characteristic of our businesses in all regions in recent years, and they have affected comparable telecommunications providers as well.

Other recent trends affecting our performance included:

the effects of Mexico's 2014 regulatory measures; and

the adverse impact of the depreciation of the Brazilian real and the Colombian peso against the Mexican peso, and the appreciation of the U.S. dollar and the Euro against the Mexican peso.

Table of Contents*Operating and Financial Review and Prospects***RESULTS OF OPERATIONS****CONSOLIDATED RESULTS OF OPERATIONS FOR 2015 AND 2014****Operating Revenues**

Total operating revenues for 2015 increased by 5.4%, or Ps.46.0 billion, over 2014. At constant exchange rates, total operating revenues for 2015 increased by 6.0% over 2014, or 1.8% excluding the effects of consolidating Telekom Austria. This increase principally reflects increases in revenues from our wireless data and fixed data operations, partially offset by a decrease in revenues from our wireless voice, fixed voice and Pay TV operations.

Wireless Voice Wireless voice revenues for 2015 decreased by 4.7%, or Ps.12.0 billion, over 2014. At constant exchange rates, wireless voice revenues for 2015 decreased by 7.5% over 2014, or 10.3% excluding the effects of consolidating Telekom Austria. This decrease principally reflects reductions in the price per minute for calls, decreases in international and long-distance traffic, the elimination in Mexico of interconnection rates and national roaming charges and the reduction of interconnection rates in other jurisdictions where we operate, including, principally, Colombia, Ecuador and Brazil.

Fixed Voice Fixed voice revenues for 2015 decreased by 8.7%, or Ps.9.9 billion, over 2014. At constant exchange rates, fixed voice revenues for 2015 decreased by 5.4% from 2014, or 12.3% excluding the effects of consolidating Telekom Austria. This decrease principally reflects reduced traffic, principally in long-distance calls, in part explained by the growing use of wireless technology and the effects of regulatory changes in some of the countries where we operate, such as in Mexico and Colombia.

Wireless Data Wireless data revenues for 2015 increased by 20.6%, or Ps.40.2 billion, over 2014. At constant exchange rates, wireless data revenues for 2015 increased by 17.8% over 2014, or 12.1% excluding the effects of consolidating Telekom Austria. This increase principally reflects increased use of services, such as media and content downloading, web browsing, content streaming and machine-to-machine services, driven in part by the increased use of social networking websites and content downloading on tablets and notebooks.

Fixed Data Fixed data revenues for 2015 increased by 7.5%, or Ps.7.3 billion, over 2014. At constant exchange rates, fixed data revenues for 2015 increased by 13.0% over 2014, or 8.3% excluding the effects of consolidating Telekom Austria. This increase principally reflects growth in residential broadband services, driven by higher quality services with greater coverage and the growth of corporate data services, such as cloud, dedicated lines, leasing and data center services.

Pay TV Pay TV revenues for 2015 decreased by 4.6%, or Ps.3.1 billion, over 2014. At constant exchange rates, Pay TV revenues for 2015 increased by 8.7% over 2014, or 7.8% excluding the effects of consolidating Telekom Austria. This increase primarily reflects growth in fixed RGUs and increased revenues, driven by new plans and channel packages that integrate multiple services, particularly in Brazil, Colombia, Peru and Ecuador.

Equipment, Accessories and Computer Sales Revenues from equipment, accessories and computer sales for 2015 increased by 20.8%, or Ps.19.9 billion, over 2014. At constant exchange rates, revenues from equipment, accessories and computer sales for 2015 increased by 20.2% over 2014, or 17.7% excluding the effects of consolidating Telekom Austria. This increase principally reflects an increase in sales of higher-end smart phones, feature phones and other data-enabled devices, as well as an increase in handset, tablet and electronics sales, driven by new commercial plans and promotions among postpaid and prepaid subscribers.

Other Services Revenues from other services for 2015 increased by 16.7%, or Ps.3.6 billion, over 2014. At constant exchange rates, revenues from other services for 2015 increased by 17.0% over 2014, or 10.1% excluding the effects

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of consolidating Telekom Austria. This increase principally reflects an increase in revenues from advertising, online content, wireless security services, telephone directories and call center services.

Operating Costs and Expenses

Cost of sales and services Cost of sales and services for 2015 increased by 8.3%, or Ps.32.0 billion, over 2014, representing 46.8% of operating revenues for 2015 compared to 45.5% of operating revenues for 2014. At constant exchange rates, cost of sales and services for 2015 increased by 7.2% over 2014, or 3.5% excluding the effects of consolidating Telekom Austria.

Cost of sales was Ps.145.8 billion for 2015, an increase of 12.4% from Ps.129.6 billion in 2014. Excluding the effects of consolidating Telekom Austria, cost of sales was Ps.137.3 billion for 2015 and Ps.125.1 billion for 2014. This increase primarily reflects the increase in sales of smartphones to subscribers in all countries in which we operate, and an increase in the subsidies we provide in order to acquire and retain subscribers and to incentivize prepaid subscribers to switch to postpaid plans.

Cost of services was Ps.272.3 billion for 2015, an increase of 6.2% from Ps.256.5 billion in 2014. Excluding the effects of consolidating Telekom Austria, cost of services was Ps.251.7 billion for 2015 and Ps.246.9 billion for 2014. This increase primarily reflects an increase in costs related to our Pay TV business, increased royalty payments and an increase in leasing, network maintenance and labor costs.

Commercial, administrative and general expenses Commercial, administrative and general expenses for 2015 increased by 9.6%, or Ps.17.8 billion, over 2014. As a percentage of operating revenues, commercial, administrative and general expenses for 2015 and 2014 were 22.8% and 21.9%, respectively. At constant exchange rates, commercial, administrative and general expenses for 2015 increased by 11.6% over 2014, or 8.7% excluding the effects of consolidating Telekom Austria. This increase primarily reflects increased expenses related to higher customer service costs, including increases in the number of customer service centers and employees, as we seek to provide better customer care and quality of service.

Telcel and Telmex, like other Mexican companies, are required by law to pay their employees, in addition to their agreed compensation and benefits, profit sharing in an aggregate amount equal to 10.0% of each entity's taxable income. Our subsidiaries in Ecuador and Peru are also required to pay employee profit sharing at rates of 15.0% and 10.0%, respectively, of taxable income. We account for these amounts under commercial, administrative and general expenses.

Other expenses Other expenses for 2015 increased by 10.4%, or Ps.0.5 billion, over 2014 principally as a result of the consolidation of Telekom Austria.

Depreciation and amortization Depreciation and amortization for 2015 increased by 9.3%, or Ps.10.7 billion, over 2014. As a percentage of operating revenues, depreciation and amortization for 2015 increased slightly to 14.1% compared to 13.6% for 2014. This increase primarily reflects the consolidation of Telekom Austria. At constant exchange rates, depreciation and amortization for 2015 increased by 13.4%, or 6.1% excluding the effects of consolidating Telekom Austria. This increase primarily reflects capital expenditures made in recent years in connection with two new satellites placed into orbit in Brazil.

Operating Income

Operating income for 2015 decreased by 9.6%, or Ps.15.1 billion, from 2014. Operating margin (operating income as a percentage of operating revenues) for 2015 was 15.8% compared to 18.5% for 2014. Excluding the effects of consolidating Telekom Austria, operating income for 2015 decreased by 13.1% and operating margin decreased by

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2.7%, due principally to higher subscriber acquisition costs, network maintenance and customer service, as well as the growth of lower-margin businesses, such as TracFone, and greater depreciation and amortization charges.

Non-Operating Items

Net Interest Expense Net interest expense (interest expense less interest income) for 2015 increased by Ps.2.0 billion, or 8.0%, over 2014, or 3.4% excluding the effects of consolidating Telekom Austria, attributable to the appreciation of some of the currencies in which our indebtedness is denominated, particularly the U.S. dollar, and an increase in our net debt.

Foreign Currency Exchange Loss, Net We recorded a net foreign currency exchange loss of Ps.79.0 billion for 2015, compared to a net foreign currency exchange loss of Ps.28.6 billion for 2014. Excluding the effects of consolidating Telekom Austria, net foreign currency exchange losses more than doubled when compared to 2014, principally attributable to the appreciation of some of the currencies in which our indebtedness is denominated, particularly the U.S. dollar.

Valuation of Derivatives, Interest Cost from Labor Obligations and Other Financial Items, Net The changes in valuation of derivatives, interest cost from labor obligations and other financial items, net, represented a gain of Ps.21.5 billion for 2015, compared to a loss of Ps.10.2 billion for 2014. This item reflects the gain recorded as a result of the change in the accounting of our investment in KPN from the equity method to an available-for-sale equity security, a loss recorded on our sale of KPN shares in 2014 as well as value gains on the derivative instruments we use to hedge against exchange rate risk in our indebtedness.

Equity interest in net losses of associated companies Our share of the net losses of associated companies accounted for under the equity method was Ps.1.4 billion in 2015 and Ps.6.1 billion in 2014. Our results from equity-method investees for 2015 principally reflect our interest in KPN through June 2015 and our equity interest in Telekom Austria for the first six months of 2014.

Income Tax Our income tax expenses for 2015 decreased by 51.7% over 2014. This was principally due to increases in our net foreign currency exchange losses as a result of the depreciation of the Mexican peso against the currencies in which a portion of our debt is denominated.

Our effective corporate income tax rate as a percentage of profit before income tax was 34.2% for 2015, compared to 45.5% for 2014. This rate differed from the Mexican statutory rate of 30% and changed year over year principally as a result of a decrease in both pre-tax income and the equity interest in net loss of associated companies between periods, and the gain on derecognition of the equity method investment in KPN in 2015.

Net Profit

We recorded a net profit of Ps.37.0 billion for 2015, a decrease of 22.2%, or Ps.10.5 billion, over 2014. Excluding the effects of consolidating Telekom Austria, net profit in 2015 decreased by 34.5% compared to 2014. This decrease reflects our foreign exchange losses, greater depreciation and amortization charges.

CONSOLIDATED RESULTS OF OPERATIONS FOR 2014 AND 2013

Operating Revenues

Total operating revenues for 2014 increased by 7.9%, or Ps.62.2 billion, over 2013. At constant exchange rates, total operating revenues for 2014 increased by 10.9% over 2013, or 6.1% excluding the effects of consolidating Telekom Austria. This increase principally reflects increases in revenues from our wireless data, fixed data and Pay TV operations, partially offset by a decrease in revenues from our wireless and fixed voice operations.

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Wireless Voice Wireless voice revenues for 2014 decreased by 3.6%, or Ps.9.4 billion, over 2013. At constant exchange rates, wireless voice revenues for 2014 decreased by 0.7% over 2013, or 3.5% excluding the effects of consolidating Telekom Austria. This decrease principally reflects reductions in the effective price-per-minute for calls, the elimination of interconnection rates and national roaming charges in Mexico and the reduction of interconnection rates in other jurisdictions where we operate, principally Colombia.

Fixed Voice Fixed voice revenues for 2014 increased by 2.6%, or Ps.2.9 billion, over 2013. At constant exchange rates, fixed voice revenues for 2014 increased by 4.2% over 2013, or decreased by 2.6% excluding the effects of consolidating Telekom Austria. This decrease principally reflects reduced traffic, principally long-distance, in part explained by increased penetration of wireless technology, and new regulatory measures affecting companies operating in the telecommunications sector in countries in which we operate, such as Colombia and Mexico.

Wireless Data Wireless data revenues for 2014 increased by 22.1%, or Ps.35.3 billion, over 2013. At constant exchange rates, wireless data revenues for 2014 increased by 25.2% over 2013, or 17.5% excluding the effects of consolidating Telekom Austria. This increase principally reflects increased use of services such as media and content downloading, web browsing, content streaming and machine-to-machine services, driven in part by increased use of social networking websites and content downloading on handsets, tablets and notebooks.

Fixed Data Fixed data revenues for 2014 increased by 14.7%, or Ps.12.5 billion, over 2013. At constant exchange rates, fixed data revenues for 2014 increased by 17.9% over 2013, or 12.6% ,excluding the effects of consolidating Telekom Austria. This increase principally reflects residential broadband services growth, fueled by higher quality services with greater coverage, and the growth of corporate data services such as cloud, dedicated lines, leasing and data center services.

Pay TV Pay TV revenues for 2014 increased 12.4%, or Ps.7.5 billion, over 2013. At constant exchange rates, Pay TV revenues for 2014 increased by 17.4% over 2013, or 16.9% excluding the effects of consolidating Telekom Austria. This increase reflects RGU growth and increased revenues driven by new plans and channel packages that integrate multiple services, particularly in Brazil, Colombia, Peru and Ecuador.

Equipment, Accessories and Computer Sales Revenues from equipment, accessories and computer sales for 2014 increased by 13.1%, or Ps.11.1 billion, over 2013. At constant exchange rates, revenues from equipment, accessories and computer sales for 2014 increased by 18.1% over 2013, or 13.9% excluding the effects of consolidating Telekom Austria. This increase reflects an increase in sales of higher-end smart phones, feature phones and other data-enabled devices, as well as new commercial plans and promotions among postpaid and prepaid subscribers, which contributed to an increase in handset, tablet and electronics sales.

Other Services Revenues from other services for 2014 increased by 11.8%, or Ps.2.3 billion, over 2013. At constant exchange rates, revenues from other services for 2014 increased by 25.4% over 2013, or decreased by 7.6% excluding the effects of consolidating Telekom Austria. This decrease reflects a fall in revenues from other services such as wireless security services, telephone directories and call center services.

Operating Costs and Expenses

Cost of sales and services Cost of sales and services for 2014 increased by 7.8%, or Ps.27.8 billion, over 2013, representing 45.5% of operating revenues compared to 45.6% of operating revenues for 2013. At constant exchange rates, cost of sales and services for 2014 increased by 10.4% over 2013, or 6.4% excluding the effects of consolidating Telekom Austria.

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Cost of sales was Ps.129.6 billion for 2014, an increase of 6.3% from Ps.122.0 billion in 2013. Excluding the effects of consolidating Telekom Austria, cost of sales was Ps.125.1 billion for 2014 and Ps.122.0 billion for 2013. This increase primarily reflects the purchase of increasing quantities of smartphones for sale to customers in all countries in which we operate, and an increase in subsidies we provide in order to acquire and retain subscribers and to incentivize prepaid subscribers to switch to postpaid plans.

Cost of services was Ps.256.5 billion for 2014, an increase of 8.5% from Ps.236.3 billion in 2013. Excluding the effects of consolidating Telekom Austria, cost of services was Ps.246.9 billion for 2014 and Ps.236.3 billion for 2013. This increase primarily reflects an increase in costs related to the growth of our Pay TV business, increased costs to support the growth of our wireless data business, higher royalty payments, an increase in real estate, leasing, electricity, network maintenance and labor costs and an increase in annual concession fees.

Commercial, administrative and general expenses Commercial, administrative and general expenses for 2014 increased by 11.1%, or Ps.18.5 billion, over 2013. As a percentage of operating revenues, commercial, administrative and general expenses for 2014 and 2013 were 21.9% and 21.3%, respectively. At constant exchange rates, commercial, administrative and general expenses for 2014 increased by 14.9% over 2013, or 7.1% excluding the effects of consolidating Telekom Austria. This primarily reflects increased expenses related to higher customer service costs, including increases in the number of customer service centers and employees, in order to provide better customer care and quality of service.

Telcel and Telmex, like other Mexican companies, are required by law to pay their employees, in addition to their agreed compensation and benefits, profit sharing in an aggregate amount equal to 10.0% of each entity's taxable income. Our subsidiaries in Ecuador and Peru are also required to pay employee profit sharing at a rate of 15.0% and 10.0%, respectively, of taxable income. We account for these amounts under commercial, administrative and general expenses.

Other expenses Other expenses for 2014 increased by 2.0%, or Ps.0.01 billion, over 2013 principally as a result of the consolidation of Telekom Austria.

Depreciation and amortization Depreciation and amortization for 2014 increased by 13.3%, or Ps.13.5 billion, over 2013 principally as a result of the consolidation of Telekom Austria and capital expenditures made in recent years. As a percentage of operating revenues, depreciation and amortization for 2014 increased slightly to 13.6% compared to 12.9% for 2013. At constant exchange rates, depreciation and amortization for 2014 increased by 12.0% excluding the effects of consolidating Telekom Austria.

Operating Income

Operating income for 2014 increased by 1.5%, or Ps.2.3 billion, from 2013. Operating margin (operating income as a percentage of operating revenues) for 2014 was 18.5% compared to 19.6% for 2013. Excluding the effects of consolidating Telekom Austria, operating income for 2014 increased by 0.2%, due principally to increased use of fixed and wireless data services partially offset by higher costs for subscriber acquisition, network maintenance and customer service, as well as the growth of lower-margin businesses such as Pay TV and TracFone, and greater depreciation and amortization charges.

Non-Operating Items

Net Interest Expense Net interest expense (interest expense less interest income) for 2014 increased by Ps.3.4 billion, or 16.4%, over 2013, or 7.1% excluding the effects of consolidating Telekom Austria, attributable to a small increase in our net debt and appreciation of some of the currencies in which our indebtedness is denominated, particularly the U.S. dollar.

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Foreign Currency Exchange Loss, Net We recorded a net exchange loss of Ps.28.6 billion for 2014, compared to a net exchange loss of Ps.19.6 billion for 2013. Excluding the effects of consolidating Telekom Austria, net exchange losses increased by 45.6% from 2013, primarily attributable to the appreciation of some of the currencies in which our indebtedness is denominated, particularly the U.S. dollar.

Valuation of Derivatives, Interest Cost from Labor Obligations and Other Financial Items, Net The net change in valuation of derivatives and other financial items represented a loss of Ps.10.2 billion for 2014, compared to a loss of Ps.8.3 billion for 2013. This item reflects the loss recorded on our sale of KPN shares, which was partially offset by value gains on the derivative instruments we use to hedge against exchange rate risk in our indebtedness.

Equity interest in net income of associated companies Our share of the net loss of associated companies accounted for under the equity method was Ps.6.1 billion in 2014 and Ps.0.04 billion in 2013. Our results from equity-method investees for 2014 primarily reflect our interest in KPN, which we acquired in 2012 and our equity interest in Telekom Austria for the first six months of 2014.

Income Tax Our income tax expenses for 2014 increased by 30.6% over 2013. In Mexico, for tax purposes we recognize a taxable gain attributable to the effects of inflation on our financial liabilities. Our effective rate of provisions for corporate income tax as a percentage of profit before income tax was 45.5% for 2014, compared to 28.8% for 2013. Our effective tax rate differed from the Mexican statutory rate of 30.0% principally because of the higher level of taxable inflationary effects and non-deductible expenses, including impairments in connection with the consolidation of Telekom Austria and the reorganization of our Brazilian subsidiaries, the equity interest in net loss of associated companies as well as the loss associated with our sale of shares in KPN.

Net Profit

We recorded net profit of Ps.47.5 billion for 2014, a decrease of 36.6%, or Ps.27.5 billion, from net profit of Ps.75.0 billion in 2013. Excluding the effects of consolidating Telekom Austria, net profit in 2014 decreased by 40.5% compared to 2013. This decrease reflects our foreign exchange losses, greater depreciation and amortization charges and a higher tax burden.

SEGMENT RESULTS OF OPERATIONS

We discuss below the operating results of each reportable segment. Note 22 to our audited consolidated financial statements describes how we translate the financial statements of our non-Mexican subsidiaries. Exchange rate changes between the Mexican peso and the currencies in which our subsidiaries do business affect our reported results in Mexican pesos and the comparability of reported results between periods.

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

**Mexican pesos per foreign currency unit
(average for the period)**

	2013	% Change	2014	% Change	2015
Brazilian real	5.9334	(4.7)	5.6574	(15.0)	4.8068
Colombian peso	0.0068	(2.5)	0.0067	(13.4)	0.0058
Argentine peso	2.3410	(29.9)	1.6406	4.5	1.7152
U.S. dollar	12.7660	4.2	13.2969	19.2	15.8504
Euro	16.9966	4.0	17.6507	(1.5)	17.3886

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

Year ended December 31, 2013

	Operating revenues		Operating income (loss)	
	(in millions of Mexican pesos)	(as a % of total operating revenues)	(in millions of Mexican pesos)	(as a % of total operating income (loss))
Mexico Wireless	Ps. 193,178	24.6%	Ps. 78,761	51.1%
Mexico Fixed	105,869	13.5	20,038	13.0
Brazil	199,887	25.4	11,101	7.2
Colombia	74,210	9.4	21,351	13.8
Southern Cone	61,521	7.8	6,174	4.0
Andean Region	45,113	5.7	11,910	7.7
Central America	24,219	3.1	(1,129)	(0.7)
United States	77,167	9.8	939	0.6
Caribbean	25,509	3.2	4,478	2.9
Eliminations	(20,572)	(2.5)	635	0.4
Total	Ps. 786,101	100.0%	Ps. 154,258	100.0%

Year ended December 31, 2014

	Operating revenues		Operating income (loss)	
	(in millions of Mexican pesos)	(as a % of total operating revenues)	(in millions of Mexican pesos)	(as a % of total operating income (loss))
Mexico Wireless	Ps. 195,710	23.1%	Ps. 73,462	46.9%
Mexico Fixed	107,518	12.7	22,284	14.5
Brazil	204,647	24.1	12,669	8.1

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Colombia	75,992	9.0	17,669	11.3
Southern Cone	56,532	6.7	6,593	4.2
Andean Region	47,802	5.6	12,132	7.7
Central America	27,023	3.2	(212)	(0.1)
United States	91,097	10.7	1,520	1.0
Caribbean	25,842	3.0	4,923	3.1
Europe	37,392	4.4	5,229	3.3
Eliminations	(21,293)	(2.5)	285	0.2
Total	Ps. 848,262	100.0%	Ps. 156,554	100.0%

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	Operating revenues		Operating income	
	(in millions of Mexican pesos)	(as a % of total operating revenues)	(in millions of Mexican pesos)	(as a % of total operating income)
Mexico Wireless	Ps. 204,825	22.9%	Ps. 70,726	50.0%
Mexico Fixed	101,078	11.3	15,947	11.3
Brazil	178,174	19.9	10,879	7.7
Colombia	66,137	7.4	13,362	9.4
Southern Cone	68,948	7.7	9,185	6.5
Andean Region	51,959	5.8	7,853	5.6
Central America	34,752	3.9	1,750	1.2
United States	110,654	12.4	1,294	0.9
Caribbean	29,658	3.3	3,891	2.8
Europe	73,160	8.2	6,247	4.4
Eliminations	(25,128)	(2.8)	320	0.2
Total	Ps. 894,217	100.0%	Ps. 141,454	100.0%

Interperiod Segment Comparisons

The following discussion addresses the financial performance of each of our reportable segments, first by comparing results for 2015 and 2014, and then by comparing results for 2014 and 2013. In the period-to-period comparisons for each segment, we include percentage changes in operating revenues, percentage changes in operating income and operating margin (operating income as a percentage of operating revenues), in each case calculated based on the segment financial information presented in Note 22 to our audited financial statements, which is prepared in accordance with IFRS. Each reportable segment includes all income, cost and expense eliminations that occurred between subsidiaries within the reportable segment. The Mexico Wireless segment also includes corporate income, costs and expenses.

Comparisons in the following discussion are calculated using figures in Mexican pesos. We also include percentage changes in adjusted segment operating revenues, adjusted segment operating income and adjusted operating margin

(adjusted operating income as a percentage of adjusted operating revenues). The adjustments eliminate (i) certain intersegment transactions, (ii) for our non-Mexican segments, the effects of exchange rate changes and (iii) for the Mexican Wireless segment only, revenues and costs of group corporate activities and other businesses that are allocated to the Mexico Wireless segment.

2015 COMPARED TO 2014

Mexico Wireless

The number of net prepaid wireless subscribers for 2015 increased by 1.6% over 2014, and the number of net postpaid wireless subscribers increased by 12.8%, resulting in an increase in the total net number of wireless subscribers in Mexico of 3.1%, or 2.2 million, to approximately 73.7 million as of December 31, 2015.

Segment operating revenues for 2015 increased by 4.7% over 2014. Adjusted revenues for 2015 increased by 2.4% over 2014. This increase was primarily due to an increase in value-added services revenues. Wireless voice revenues for 2015 decreased by 17.4% over 2014, reflecting primarily the elimination of domestic roaming charges and the

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elimination of termination charges. Wireless data revenues increased by 7.9% in 2015, primarily due to the increased use of value-added services by our wireless subscribers, including activity from messaging, content downloading, mobile applications and social media, and an increase in revenues from service plans offering higher data capacity.

Segment operating income for 2015 decreased by 3.7% over 2014. Adjusted operating income for 2015 decreased by 7.3% over 2014. Segment operating margin was 34.5% in 2015 and 37.5% in 2014. Adjusted operating margin for this segment was 39.5% in 2015 and 43.7% in 2014. The decrease in operating margin in 2015 was due primarily to certain negative effects from the changes in Mexican regulation and to costs related to network maintenance and expansion, as well as network capacity to absorb higher bandwidth usage and customer service.

Mexico Fixed

The number of fixed RGUs in Mexico for 2015 decreased by 1.2% over 2014, and the number of broadband RGUs in Mexico decreased by 4.0%, resulting in a decrease in total fixed RGUs in Mexico of 2.3% to approximately 21.7 million as of December 31, 2015 over 2014. The decrease in broadband RGUs was driven primarily by a change in recognition of fixed RGUs, which now excludes those fixed RGUs that maintain a 60-day or more delinquent account.

Segment operating revenues for 2015 decreased by 6.0% over 2014. Adjusted revenues for 2015 decreased by 4.9% over 2014. This decrease was primarily due to the elimination of charges for domestic long-distance calls in January 2015. Fixed voice revenues for 2015 decreased by 18.8% over 2014, reflecting reductions in the overall number of fixed-lines, national and international long-distance rates and usage. Fixed data revenues for 2015 increased by 5.4% over 2014, reflecting an increase in revenues from broadband and corporate network services.

Segment operating income for 2015 decreased by 28.4% over 2014. Adjusted segment operating income for 2015 decreased by 29.6% over 2014. Segment operating margin was 15.8% in 2015 and 20.7% in 2014. Adjusted operating margin for this segment was 14.1% in 2015 and 19.1% in 2014. The decrease in the segment operating margin for 2015 was primarily due to increases in costs associated with customer service and service quality improvements as well as network maintenance.

Brazil

The number of net prepaid wireless subscribers for 2015 decreased by 11.0% over 2014, and the number of net postpaid wireless subscribers increased by 6.4%, resulting in a decrease in the total net number of wireless subscribers in Brazil of 7.2%, or 5.1 million over 2014, to approximately 66.0 million as of December 31, 2015. In 2015, the number of fixed voice RGUs increased by 3.2%, the number of broadband RGUs increased by 7.7% and the number of Pay TV RGUs decreased by 2.7%, resulting in an increase in total fixed RGUs in Brazil of 1.5% to approximately 36.6 million as of December 31, 2015 over 2014.

Segment operating revenues for 2015 decreased by 12.9% over 2014. Adjusted segment operating revenues for 2015 increased by 1.8% over 2014. This increase was primarily due to higher wireless and fixed data as well as Pay TV revenues. Wireless data revenues for 2015 increased by 23.2% and fixed data revenues for 2015 increased by 9.6%, principally due to higher customer usages of media and content-downloading data and of value-added services, such as SMS messaging and web browsing, as well as, in the case of fixed data, an increase in the fixed RGU base. Pay TV

revenues for 2015 increased by 7.3% as a result of an increase in the purchase of additional services, such as video-on-demand and bundled packages. Wireless and fixed voice revenues decreased by 18.4% and 7.4%, respectively, in 2015 over 2014. The principal factors underlying the decrease in revenues were the reduction of

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interconnection rates and reduced long-distance and fixed-to-mobile charges. The decrease in fixed voice revenues is primarily attributable to decreases in revenues from local services and the reduction of interconnection rates and domestic long-distance calls.

Segment operating income for 2015 decreased by 14.1% over 2014. Adjusted segment operating income for 2015 increased by 2.5% over 2014. Segment operating margin was 6.1% in 2015 and 6.2% in 2014. Adjusted segment operating margin was 4.9% in 2015 and 4.9% in 2014. The decrease in segment operating margin for 2015 was primarily due to higher subscriber acquisitions, customer service and call centers costs, as well as higher advertising, rent and marketing costs associated with the integration of our various Brazilian brands.

Colombia

In 2015, the number of net prepaid wireless subscribers decreased by 3.4%, and the number of net postpaid wireless subscribers increased by 0.1%, resulting in a decrease in the total net number of wireless subscribers in Colombia of 2.7%, or 0.8 million, to approximately 29.0 million as of December 31, 2015. In 2015, the number of fixed voice RGUs increased by 12.7%, the number of broadband RGUs increased by 15.5% and the number of Pay TV RGUs increased by 2.3%, resulting in an increase in total fixed RGUs in Colombia of 9.3% to approximately 5.8 million as of December 31, 2015.

Segment operating revenues for 2015 decreased by 13.0% over 2014. Adjusted operating revenues for 2015 decreased by 0.5% over 2014. This decrease was primarily due to lower wireless interconnection rates, airtime use by wireless prepaid subscribers and, in the case of postpaid wireless subscribers, a decrease in subscription plan fees. Fixed and wireless data revenues increased by 10.8% and 20.6%, respectively, in 2015, primarily due to an increase in sales of bundled packages of wireless services, higher demand for data plans and an increase in subscribers for internet services. Fixed voice revenues increased by 9.8% and wireless voice revenues decreased by 21.8% in 2015. Pay TV revenues for 2015 increased by 16.5% as a result of an increase in the number of subscribers.

Segment operating income for 2015 decreased by 24.4% over 2014. Adjusted segment operating income for 2015 decreased by 10.1% over 2014. Segment operating margin was 20.2% in 2015 and 23.3% in 2014. Adjusted segment operating margin was 23.8% in 2015 and 26.3% in 2014. The decrease in segment operating margin for 2015 was primarily due to higher advertising, lease, maintenance and customer service costs, customer acquisition costs and costs related to TV content.

Southern Cone Argentina, Chile, Paraguay and Uruguay

In 2015, the number of net prepaid wireless subscribers decreased by 5.6%, and the number of net postpaid wireless subscribers increased by 4.5%, resulting in an increase in the total net number of wireless subscribers in our Southern Cone segment of 5.2%, or 1.4 million, to approximately 29.2 million as of December 31, 2015. In 2015, the number of fixed voice RGUs increased by 2.0%, the number of broadband RGUs increased by 8.5% and the number of Pay TV RGUs decreased by 6.5%, resulting in a decrease in total fixed RGUs in our Southern Cone segment of 0.4% to approximately 1.8 million as of December 31, 2015.

Segment operating revenues for 2015 increased by 22.0% over 2014, reflecting an increase of 28.1% in Argentina, Paraguay and Uruguay and an increase of 6.3% in Chile. Adjusted segment operating revenues for 2015 increased by

16.7% over 2014, reflecting an increase of 22.5% in Argentina, Paraguay and Uruguay and an increase of 2.3% in Chile. The increase in operating revenues was driven primarily in Chile and Argentina from higher data usage, such as data purchased in bundled service packages. For this segment, we analyze results in Argentina, Paraguay and Uruguay in terms of the Argentine peso, because Argentina accounts for the major portion of the operations in these three countries.

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Segment operating income for 2015 increased by 39.3% over 2014, reflecting an increase in operating income of 31.8% in Argentina, Paraguay and Uruguay and an increase in operating loss of 17.6% in Chile. Adjusted segment operating income for 2015 increased by 32.6% over 2014, reflecting an increase in adjusted operating income of 26.2% in Argentina, Paraguay and Uruguay and an increase in adjusted operating loss by 13.2% in Chile.

Segment operating margin was 13.3% in 2015 and 11.7% in 2014. This increase reflects an operating margin of 28.2% in Argentina, Paraguay and Uruguay, which was partially offset by a negative operating margin of 21.4% in Chile. Adjusted segment operating margin was 15.0% in 2015, compared to 13.2% in 2014, and reflects an adjusted operating margin of 28.1% in Argentina, Paraguay and Uruguay, partially offset by a negative operating margin of 21.4% in Chile. Results of operations in this segment during 2015 are partially explained by cost efficiencies related to maintenance, commercial leases for customer services centers, stores and tower spaces and customer service centers.

Andean Region Ecuador and Peru

In 2015, the number of net prepaid wireless subscribers decreased by 21.0%, and the number of net postpaid wireless subscribers increased by 3.7%, resulting in a decrease in the total net number of wireless subscribers in our Andean Region segment of 14.5%, or 3.5 million, to approximately 20.7 million as of December 31, 2015. In 2015, the number of fixed voice RGUs increased by 7.7%, the number of broadband RGUs increased by 19.8% and the number of Pay TV RGUs increased by 1.4%, resulting in an increase in total fixed RGUs in our Andean Region segment of 9.6% to approximately 1.7 million as of December 31, 2015.

Segment operating revenues for 2015 increased by 8.7% over 2014, reflecting operating revenue increases of 10.6% in Ecuador and 6.7% in Peru. Adjusted segment operating revenues for 2015 decreased by 3.2%, reflecting a decrease of 7.1% in Ecuador and an increase of 0.5% in Peru. This decrease in operating revenues reflected, in both Ecuador and Peru, decreases in revenues from our wireless and fixed voice operations, especially prepaid voice plans, despite higher revenues from wireless data and postpaid voice plans, broadband and corporate data services.

Segment operating income for 2015 decreased by 35.3% over 2014, reflecting a decrease in operating income of 24.1% in Ecuador and a decrease of 35.2% in Peru. Adjusted segment operating income for 2015 decreased by 37.0%, reflecting a decrease of 35.4% in Ecuador and a decrease of 38.9% in Peru. Segment operating margin was 15.1% in 2015, reflecting operating margins of 23.3% in Ecuador and 14.4% in Peru, and was 25.4% in 2014. Adjusted segment operating margin was 18.6% in 2015, reflecting adjusted operating margins of 23.6% in Ecuador and 14.4% in Peru, and was 28.7% in 2014. Results of operations in all countries in this segment in 2015 were impacted by increases in customer service, marketing, sales costs, and subsidies in Ecuador, and higher postpaid subscriber acquisition costs driven by a more aggressively competitive environment in Peru.

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

In 2015, the number of net prepaid wireless subscribers increased by 8.7%, and the number of net postpaid wireless subscribers increased by 15.7%, resulting in increase in the total net number of wireless subscribers in our Central America segment of 9.6%, or 1.3 million, to approximately 15.3 million as of December 31, 2015. In 2015, the number of fixed voice RGUs decreased by 0.5%, the number of broadband RGUs increased by 43.7% and the number of Pay TV RGUs increased by 6.7%, resulting in an increase in total fixed RGUs in our Central America segment of

7.5% to approximately 4.9 million as of December 31, 2015.

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Segment operating revenues for 2015 increased by 28.6% over 2014. Adjusted segment operating revenues for 2015 increased by 7.6% over 2014. This increase was driven primarily by increased revenues from wireless and fixed voice services and Pay TV in each country other than El Salvador, and increased revenues from wireless and fixed data services in each country, other than Nicaragua and El Salvador, partially offset by declining fixed voice usage and prices per minute for calls in El Salvador and Guatemala. For this purpose, we analyze adjusted segment results in U.S. dollars because it is the functional currency in our operations in El Salvador and Panama and the currencies in Costa Rica, Guatemala, Honduras and Nicaragua are relatively stable against the U.S. dollar.

Segment operating income and adjusted segment operating income increased by approximately ten times in 2015 over 2014. Segment operating margin for 2015 was 5.0%, compared to a negative operating margin for 2014 of 0.8%. Adjusted segment operating margin for 2015 as 5.4%, compared to a negative operating margin for 2014 of 0.6%. Results of operations in all countries in the segment in 2015 were impacted by the increase in operating income, lower maintenance, customer service and acquisition costs associated with increasing our network capacity, quality and coverage in each country.

Caribbean Dominican Republic and Puerto Rico

In 2015, the number of net prepaid wireless subscribers increased by 0.9%, and the number of net postpaid wireless subscribers increased by 9.0%, resulting in an increase in the total net number of wireless subscribers in our Caribbean segment of 3.3%, or approximately 200 thousand, to approximately 5.3 million as of December 31, 2015. In 2015, the number of fixed voice RGUs increased by 2.5%, the number of broadband RGUs increased by 9.0% and the number of Pay TV RGUs increased 24.6%, resulting in an increase in total fixed RGUs in our Caribbean segment of 7.0% to approximately 2.5 million as of December 31, 2015.

Segment operating revenues for 2015 increased by 14.8% over 2014. Adjusted segment operating revenues for 2015 decreased by 3.7% over 2014. This decrease was primarily due to lower revenues from wireless and fixed-voice services in Puerto Rico, which was partially offset by an increase in wireless data revenues in the Dominican Republic. We analyze segment results in U.S. dollars because it is the functional currency in our operations in Puerto Rico, and the currency in the Dominican Republic is relatively stable against the U.S. dollar.

Segment operating income for 2015 decreased by 21.0% over 2014. Adjusted segment operating income for 2015 decreased by 36.5% over 2014. Segment operating margin was 13.1% in 2015 and 19.1% in 2014. Adjusted segment operating margin was 12.6% in 2015 and 19.0% in 2014. The decrease in segment operating income and operating margin for 2015 reflected an increase in costs associated with accrued liabilities, principally our pension obligations in Puerto Rico, as well as costs associated with human resources, network maintenance and subscriber acquisitions.

United States

In 2015, the number of net prepaid wireless subscribers decreased by 1.3%, or approximately 300 thousand, to approximately 25.7 million total net wireless subscribers in the United States as of December 31, 2015.

Segment operating revenues for 2015 increased by 21.5% over 2014. Adjusted segment operating revenues for 2015 increased by 1.9% over 2014. This increase reflected higher wireless voice and data usage and revenues driven by the success of existing plans, principally those offered by Straight Talk, which often include unlimited data plans.

Wireless data services increased by 2.5% during 2015 and currently represent 39.7% of segment revenues. In 2015, the number of wireless subscribers, all of which are prepaid subscribers, decreased by 1.3% to approximately 25.7 million as of December 31, 2015 over 2014.

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Segment operating income for 2015 decreased by 14.9% over 2014. Adjusted segment operating income for 2015 decreased by 10.8% over 2014. Segment operating margin was 1.2% in 2015 and 1.7% in 2014. Adjusted segment operating margin was 7.8% in 2015 and 8.9% in 2014. This decrease in segment operating margin for 2015 was primarily due to increased payments to third-party network operators for minutes and megabytes, as well as higher voice and data usages from unlimited plans.

Europe

In 2015, the number of net prepaid wireless subscribers increased by 0.2%, and the number of net postpaid wireless subscribers increased by 4.9%, resulting in an increase in the total net number of wireless subscribers in our Europe segment of 3.5%, or approximately 700 thousand, to approximately 20.7 million as of December 31, 2015. In 2015, the number of fixed voice RGUs increased by 9.9%, the number of broadband RGUs increased by 28.4% and the number of Pay TV RGUs increased by 93.7%, resulting in an increase in total fixed RGUs in our Europe segment of 28.2% to approximately 5.6 million as of December 31, 2015.

Segment operating revenues for 2015 was Ps.6,247 million. Segment operating margin and adjusted segment operating margin for 2015 were 8.5% and 13.8%, respectively. We began consolidating Telekom Austria in July 2014.

2014 COMPARED TO 2013**Mexico Wireless**

In 2014, the number of net prepaid wireless subscribers decreased by 4.1%, and the number of net postpaid wireless subscribers increased by 6.0%, resulting in a decrease in the total net number of wireless subscribers in Mexico of 2.8%, or 2.0 million, to approximately 71.5 million as of December 31, 2014.

Segment operating revenues increased by 1.3% in 2014. Adjusted revenues increased 0.7% in 2014. This increase was primarily driven by an increase in value-added services revenues. Wireless voice revenues decreased by 9.6% in 2014, reflecting primarily the elimination of domestic roaming charges and the elimination of interconnection charges. Wireless data revenues increased by 14.2% in 2014, principally due to increased customer usage of value-added services.

Segment operating income decreased by 6.7% in 2014. Adjusted operating income increased by 0.6% in 2014. Segment operating margin (operating income as a percentage of operating revenues) was 37.5% in 2014 and 40.8% in 2013. Adjusted operating margin for this segment was 43.7% in 2014 and 43.7% in 2013. The decrease in operating margin in 2014 was due principally to the decline in revenues related to new regulatory measures and to costs related to network maintenance and expansion, increased capacity to absorb higher bandwidth usage and customer service.

Mexico Fixed

In 2014, the number of fixed RGUs in Mexico decreased by 3.4%, and the number of broadband RGUs in Mexico increased by 2.9%, resulting in a decrease in total fixed RGUs in Mexico of 0.9% to approximately 22.3 million as of December 31, 2014.

Segment operating revenues increased by 1.6% in 2014. This increase was principally due to an increase in fixed data revenues. Fixed voice revenues decreased by 4.5% in 2014, reflecting reductions in the overall number of fixed lines, national and international long-distance rates and usage. Fixed data revenues increased by 9.5% over 2013, reflecting an increase in revenues from broadband and corporate network services, principally due to an increase in the fixed RGU base.

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Segment operating income increased by 11.2% in 2014. Adjusted segment operating income increased by 1.4%. Segment operating margin was 20.7% in 2014 and 18.9% in 2013. Adjusted operating margin for this segment was 19.1% in 2014 and 19.1% in 2013. The increase in segment operating margin for 2014 was principally due to greater cost efficiencies and lower personnel costs, despite increases in costs associated with customer service improvements and network maintenance.

Brazil

In 2014, the number of net prepaid wireless subscribers increased by 2.0%, and the number of net postpaid wireless subscribers increased by 9.3%, resulting in an increase in the total net number of wireless subscribers in our Brazil segment of 3.5%, or 2.4 million, to approximately 71.1 million as of December 31, 2014. In 2014, the number of fixed voice RGUs increased by 8.7%, the number of broadband RGUs increased by 13.6% and the number of Pay TV RGUs increased by 10.4%, resulting in an increase in total fixed RGUs in our Brazil segment of 10.4% to approximately 36.1 million as of December 31, 2014.

Segment operating revenues increased by 2.4% in 2014. Adjusted segment operating revenues increased by 7.2% in 2014 to increases in wireless, fixed data and Pay TV revenues. Wireless data revenues increased by 25.2% in 2014 and fixed data revenues increased by 14.4%, as a result of an increase in the subscriber base and increased data usage for media and content downloading and greater use of value-added services such as SMS messaging and web browsing. Pay TV revenues increased by 16.6% in 2014 as a result of a growing fixed RGU base and an increase in the purchase of additional services such as video-on-demand. Wireless and fixed voice revenues decreased by 10.9% and increased by 0.2%, respectively, in 2014. The principal factors in the decrease in revenues were the reduction of interconnection rates and reduced long distance and fixed-to-mobile charges. The increase in fixed voice revenues is primarily attributable to increased RGUs for fixed-line services offered by the NET Fone brand, partially offset by reduced revenues from local services and increased costs associated with promotions and bundled packages of services offered by NET Fone.

Segment operating income increased by 14.1% in 2014. Adjusted segment operating income increased by 23.8%. Segment operating margin was 6.2% in 2014 and 5.6% in 2013. Adjusted segment operating margin was 4.9% in 2014 and 4.2% in 2013. Adjusted segment operating income and operating margin in 2014 were affected by subscriber acquisition costs, higher costs for customer service, call centers and energy, and advertising, higher rent and marketing costs associated with the integration of our various Brazilian brands.

Colombia

In 2014, the number of net prepaid wireless subscribers increased by 2.8%, and the number of net postpaid wireless subscribers increased by 2.6%, resulting in an increase in the total net number of wireless subscribers in our Colombia segment of 2.8%, or 0.8 million, to approximately 29.8 million as of December 31, 2014. In 2014, the number of fixed voice RGUs increased by 16.1%, the number of broadband RGUs increased by 18.2% and the number of Pay TV RGUs increased by 4.7%, resulting in an increase in total fixed RGUs in our Colombia segment of 11.8% to approximately 5.3 million as of December 31, 2014.

Segment operating revenues increased 2.4% in 2014. Adjusted operating revenues increased by 5.2%. Fixed and wireless data services increased by 13.3% and 5.8%, respectively, in 2014, primarily due to increased purchase of

bundled packages of services, higher demand for data plans and an increase in subscribers for internet services. Fixed voice revenues increased by 4.2% and wireless voice revenues decreased 4.9% in 2014. Pay TV revenues increased by 13.4% in 2014.

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Segment operating income decreased by 17.2% in 2014. Adjusted segment operating income decreased by 12.6%. Segment operating margin was 23.3% in 2014 and 28.8% in 2013. Adjusted segment operating margin was 26.3% in 2014 and 31.7% in 2013. Segment operating margin in 2014 was affected by higher electricity, lease, maintenance and customer service costs and an obligation imposed by the Colombian government to provide free tablets and handsets to certain people in low-income brackets as a condition for our acquisition of 4G spectrum.

Southern Cone Argentina, Chile, Paraguay and Uruguay

In 2014, the number of net prepaid wireless subscribers decreased by 4.7%, and the number of net postpaid wireless subscribers increased by 4.8%, resulting in a decrease in the total net number of wireless subscribers in our Southern Cone segment of 1.5%, or 0.4 million, to approximately 27.8 million as of December 31, 2014. In 2014, the number of fixed voice RGUs increased by 6.4%, the number of broadband RGUs increased by 6.6% and the number of Pay TV RGUs increased by 6.6%, resulting in an increase in total fixed RGUs in our Southern Cone segment of 6.5% to approximately 1.8 million as of December 31, 2014.

Segment operating revenues decreased by 8.1% in 2014, reflecting a decrease of 4.3% in Argentina, Paraguay and Uruguay and a decrease of 15.2% in Chile. Adjusted segment operating revenues increased by 20.1%, reflecting an adjusted operating revenue increase of 36.5% in Argentina, Paraguay and Uruguay and a decrease of 6.2% in Chile. The decrease in operating revenues was driven primarily by lower interconnection tariffs due to regulatory measures in Chile, partially offset by increased revenues in Chile and Argentina from higher data usage, such as data purchased in bundled service packages. For this segment, we analyze results in Argentina, Paraguay and Uruguay in terms of the Argentine peso because Argentina accounts for the major portion of the operations in these three countries.

Segment operating income increased by 6.8% in 2014, reflecting a decrease in operating income of 0.8% in Argentina, Paraguay and Uruguay and a decrease in operating loss of 15.2% in Chile. Adjusted segment operating income increased by 68.5%, reflecting an increase in adjusted operating income of 42.5% in Argentina, Paraguay and Uruguay and an increase in adjusted operating loss of 6.4% in Chile. Segment operating margin was 11.7% in 2014, reflecting an operating margin of 27.4% in Argentina, Paraguay and Uruguay and (19.3)% in Chile. Adjusted operating margin was 15.9% in 2014, reflecting an adjusted operating margin of 28.1% in Argentina, Paraguay and Uruguay and 19.3% in Chile. In 2013, adjusted operating margin was 13.1%, reflecting an adjusted operating margin of 26.2% in Argentina, Paraguay and Uruguay, and (19.3)% in Chile. Results of operations in all countries in the segment in 2014 reflected cost efficiencies related to maintenance, leases, spare parts and customer services, which grew at a lower rate than operating income, as well as a decrease in spectrum costs in Chile.

Andean Region Ecuador and Peru

In 2014, the number of net prepaid wireless subscribers decreased by 1.0%, and the number of net postpaid wireless subscribers increased by 9.7%, resulting in an increase in the total net number of wireless subscribers in our Andean Region segment of 1.6%, or 0.4 million, to approximately 24.2 million as of December 31, 2014. In 2014, the number of fixed voice RGUs increased by 11.7%, the number of broadband RGUs increased by 25.8% and the number of Pay TV RGUs increased by 20.5%, resulting in an increase in total fixed RGUs in our Andean Region segment of 17.3% to approximately 1.6 million as of December 31, 2014.

Segment operating revenues increased by 6.0% in 2014, reflecting operating revenue increases of 4.5% in Ecuador and 7.4% in Peru. Adjusted segment operating revenues increased by 4.4%, reflecting increases of 0.3% in Ecuador and 8.4% in Peru. This increase in operating revenues reflected, in both Ecuador and Peru, higher wireless data and postpaid plan usage, as well as higher revenues from fixed data and corporate network services, slightly offset by a decrease in revenues from our mobile and fixed voice operations.

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Segment operating income increased by 1.9% in 2014, reflecting operating income increases of 7.6% in Ecuador and decreases of 3.8% in Peru. Adjusted segment operating income increased by 0.8%, reflecting an increase of 3.3% in Ecuador, driven by efficiencies gained in customer services, marketing, sales costs and subsidies, which was partially offset by a decrease of 2.8% in Peru, caused by higher postpaid subscriber acquisition costs driven by a more aggressively competitive environment. Segment operating margin was 25.4% in 2014, reflecting operating margins of 33.9% in Ecuador and 23.8% in Peru. Adjusted segment operating margin was 28.6% in 2014, reflecting adjusted operating margins of 34.0% in Ecuador and 23.8% in Peru.

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

In 2014, the number of net prepaid wireless subscribers decreased by 22.5%, and the number of net postpaid wireless subscribers increased by 14.9%, resulting in a decrease in the total net number of wireless subscribers in our Central America segment of 18.9%, or 3.3 million, to approximately 14.0 million as of December 31, 2014. In 2014, the number of fixed voice RGUs increased by 7.3%, the number of broadband RGUs increased by 7.0% and the number of Pay TV RGUs increased by 11.5%, resulting in an increase in total fixed RGUs in our Central America segment of 8.1% to approximately 4.6 million as of December 31, 2014.

Segment operating revenues increased by 11.6% in 2014. Adjusted segment operating revenues increased by 7.1% in 2014. This increase was driven primarily by increased revenues from wireless voice and fixed and wireless data services in each country and, in Nicaragua, in Pay TV, partially offsetting declining fixed voice usage and prices per minute for calls in El Salvador and Guatemala. For this purpose, we analyze adjusted segment results in U.S. dollars because it is the functional currency in our operations in El Salvador and Panama and the currencies in Costa Rica, Guatemala, Honduras and Nicaragua are relatively stable against the U.S. dollar.

Segment operating loss decreased by 81.2% in 2014. Adjusted segment operating loss decreased by 85.8%. Segment operating margin was (0.8)% in 2014 and (4.7)% in 2013. Adjusted segment operating margin was (0.6)% in 2014 and (4.5)% in 2013. This increase in adjusted segment operating margin reflected the increase in operating income, offsetting the growth in costs related to maintenance, customer service and new acquisitions associated with increasing our network capacity, quality and coverage in each country.

Caribbean Dominican Republic and Puerto Rico

In 2014, the number of net prepaid wireless subscribers decreased by 16.8 %, and the number of net postpaid wireless subscribers increased by 3.1%, resulting in a decrease in the total net number of wireless subscribers in our Caribbean segment of 11.7 %, or 0.7 million, to approximately 5.0 million as of December 31, 2014. In 2014, the number of fixed voice RGUs did not change, the number of broadband RGUs increased by 8.8% and the number of Pay TV RGUs increased by 20.3%, resulting in an increase in total fixed RGUs in our Caribbean segment of 4.6% to approximately 2.4 million as of December 31, 2014.

Segment operating revenues increased by 1.3% in 2014. Adjusted segment operating revenues decreased by 2.8%. We analyze segment results in U.S. dollars because it is the functional currency in our operations in Puerto Rico and the currency in the Dominican Republic is relatively stable against the U.S. dollar.

Segment operating income increased by 9.9% in 2014. Adjusted segment operating income increased by 7.4% in 2014. Segment operating margin was 19.1% in 2014 and 17.6% in 2013. Adjusted segment operating margin was 19.0% in 2014 and 17.2% in 2013. The increase in segment operating income and operating margin for 2014 reflected a reduction in costs associated with accrued liabilities, principally our pension obligations in Puerto Rico, offsetting increased costs associated with human resources, network maintenance and subscriber acquisition.

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United States

In 2014, the number of net prepaid wireless subscribers increased by 9.9%, or 2.3 million, to approximately 26.0 million total net wireless subscribers as of December 31, 2014.

Segment operating revenues increased by 18.1% in 2014. Adjusted segment operating revenues increased by 13.4% in 2014. This increase reflected higher wireless voice and data usage and revenues driven by the success of new and existing plans, principally those offered by Straight Talk, which often include unlimited data plans. Wireless data services increased by 19.6% during 2014 and now represent 43.9% of service revenues. In 2014, the number of wireless subscribers, all of which are prepaid subscribers, increased by 9.9% to approximately 26.0 million as of December 31, 2014.

Segment operating income increased to Ps.1.5 billion in 2014 from an operating loss of Ps.1.0 billion during 2013. Adjusted segment operating income increased by 20.6% in 2014, reflecting the increase in our operating revenues, as well as important cost reductions for airtime, data and SMS messaging purchases.

Segment operating margin was 1.7% in 2014 and 1.2% in 2013. Adjusted segment operating margin was 8.9% in 2014 and 8.4% in 2013.

Europe

We began consolidating Telekom Austria in July 2014. Prior to July 2014, we accounted for Telekom Austria using the equity method.

In 2014, the number of net prepaid wireless subscribers were 5.9 million, and the number of net postpaid wireless subscribers were 14.1 million, resulting in a total net number of wireless subscribers in our Europe segment of 20.0 million as of December 31, 2014. In 2014, the number of fixed voice RGUs were 2.0 million, the number of broadband RGUs were 1.8 million and the number of Pay TV RGUs were 0.6 million, resulting in total fixed RGUs in our Europe segment of approximately 4.4 million as of December 31, 2014.

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LIQUIDITY AND CAPITAL RESOURCES

Funding Requirements

We generate substantial cash flows from our operations. On a consolidated basis, operating activities provided Ps.163.7 billion in 2015 and Ps.240.6 billion in 2014. Our cash and cash equivalents amounted to Ps.45.2 billion at December 31, 2015 compared to Ps.66.5 billion at December 31, 2014. We believe our working capital is sufficient for our present requirements. We use the cash that we generate from our operations and from borrowings principally for the following purposes:

We make substantial capital expenditures to continue expanding and improving our networks in each country in which we operate. Our capital expenditures on plant, property and equipment and acquisition or renewal of licenses were Ps.151.6 billion in 2015, Ps.145.6 billion in 2014 and Ps.121.8 billion in 2013. The amount we spend on acquisitions and licenses varies significantly from year to year, depending on acquisition opportunities, concession renewal schedules and needs for more spectrum. We have budgeted capital expenditures for 2016 of be approximately U.S.\$8.5 billion (Ps.146.7 billion).

In some years, we have made substantial expenditures on acquisitions.

We must pay interest on our indebtedness and repay principal when due. As of December 31, 2015, we had approximately Ps.119.6 billion of principal and amortization due in 2016.

We pay regular dividends. We paid Ps.37.4 billion in dividends in 2015 and Ps.17.1 billion in 2014. Our shareholders approved on April 18, 2016 the payment of a Ps.0.28 ordinary dividend per share in two installments in 2016.

We regularly repurchase our own shares. We spent Ps.34.4 billion repurchasing our own shares in the open market in 2015 and Ps.35.0 billion in 2014. Our shareholders have authorized additional repurchases, and as of March 31, 2016, we have spent Ps.2.2 billion repurchasing our shares in the open market in 2016, but whether we will continue to do so will depend on our operating cash flow and on various other considerations, including market prices and our other capital requirements.

Off-balance Sheet Arrangements

As of December 31, 2015, we had no off-balance sheet arrangements that require disclosure under applicable SEC regulations.

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The following table summarizes certain contractual obligations as of December 31, 2015. Many of our obligations are denominated in currencies other than Mexican pesos, and in particular our purchase obligations and approximately 38% of our debt are denominated in U.S. dollars. The table does not include accounts payable or pension liabilities. The table also does not include interest payments or payments under derivatives contracts. See Note 21 to our consolidated financial statements.

Contractual obligations as of December 31, 2015:	Payments Due by Period				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
	<i>(in millions)</i>				
Equipment leases	Ps. 234	Ps. 138	Ps. 96	Ps.	Ps.
Real estate leases	88,520	10,950	20,032	18,590	38,948
Short-term debt	119,590	119,590			
Long-term debt	563,627		125,160	133,509	304,958
Purchase obligations	82,015	26,931	55,084		
Total	Ps. 853,986	Ps. 157,609	Ps. 200,372	Ps. 152,099	Ps. 343,906

Other than the amounts in the table above, we had no other outstanding material purchase commitments as of December 31, 2015. We enter into a number of supply, advertising and other contracts in the ordinary course of business, but those contracts are not material to our liquidity.

Borrowings

In addition to cash flows generated from operations, we rely on a combination of borrowings from a range of different sources, including the international capital markets, capital markets in Mexico and other countries where we operate, international and local banks, equipment suppliers and export credit agencies. We seek to maintain access to diverse sources of funding. In managing our funding, we generally seek to keep our leverage, as measured by the ratio of net debt to EBITDA, at a level that is consistent with maintaining the ratings given to our debt by the principal credit rating agencies. Our total consolidated indebtedness as of December 31, 2015 was Ps.683.2 billion, of which Ps.119.6 billion was short-term debt (including the current portion of long-term debt), compared to Ps.603.8 billion as of December 31, 2014.

Management defines net debt as total debt minus cash and cash equivalents, minus marketable securities or other short-term investments. As of December 31, 2015, we had net debt of Ps.581.7 billion, compared to Ps.537.3 billion as of December 31, 2014 (when we did not have any marketable securities or other short-term investments).

Without taking into account the effects of derivative financial instruments that we use to manage our interest rate and currency risk, approximately 87.4% of our indebtedness at December 31, 2015 was denominated in currencies other than Mexican pesos (approximately 43.1% of such non-Mexican peso debt in U.S. dollars and 56.9% in other currencies), and approximately 6.5% of our consolidated debt obligations bore interest at floating rates. After the effects of derivative transactions, approximately 38.2% of our total debt as of December 31, 2015 was denominated in U.S. dollars.

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The weighted average cost of all our third-party debt at December 31, 2015 (excluding commissions and reimbursement of certain lenders for Mexican taxes withheld) was approximately 4.2% per annum.

Our major categories of indebtedness at December 31, 2015 are summarized in the table below. The amounts are based on book values in our financial statements under IFRS and may differ from the principal amount.

Debt:	(millions of Mexican pesos)
Denominated in U.S. dollars:	
Bank loans	39,488
2.375% Senior Notes due 2016	34,138
Floating Rate Senior Notes due 2016	12,905
5.625% Notes due 2017	10,033
5.000% Senior Notes due 2019	12,905
5.500% Senior Notes due 2019	6,492
5.000% Senior Notes due 2020	36,561
3.125% Senior Notes due 2022	27,530
6.375% Notes due 2035	16,885
6.125% Notes due 2037	6,353
6.125% Senior Notes due 2040	34,413
4.375% Senior Notes due 2042	19,788
Total	Ps. 257,492
Denominated in Mexican pesos:	
Bank loans	2,632
Domestic senior notes (<i>certificados bursátiles</i>)	22,911

8.75% Senior Notes due 2016	4,500
9.00% Senior Notes due 2016	5,000
6.000% Senior Notes due 2019	10,000
6.45% Senior Notes due 2022	22,500
7.125% Senior Notes due 2024	11,000
8.46% Senior Notes due 2036	7,872
Total	Ps. 86,415
Denominated in euro:	
Bank loans	7,316
6.375% Senior Notes due 2016	15,003
3.75% Senior Notes due 2017	18,683
4.25% Senior Notes due 2017	10,017
1.00% Senior Notes due 2018	11,210
4.125% Senior Notes due 2019	18,683
0.00% Exchangeable Bonds due 2020	52,735
3.00 % Senior Notes due 2021	18,683

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Debt:	(millions of Mexican pesos)
3.125% Senior Notes due 2021	15,088
4.75% Senior Notes due 2022	14,012
4.00% Senior Notes due 2022	15,756
3.259% Senior Notes due 2023	14,012
3.50% Senior Notes due 2023	6,105
Euro NC5 (Euro Series A) Capital Securities due 2073	16,815
Euro NC10 (Euro Series B) Capital Securities due 2073	10,276
Total	Ps. 244,394
Denominated in pounds sterling:	
5.000% Senior Notes due 2026	12,671
5.750% Senior Notes due 2030	16,472
4.948% Senior Notes due 2033	7,603
4.375% Senior Notes due 2041	19,006
GBP NC7 Capital Securities due 2073	13,938
Total	Ps. 69,690
Denominated in Swiss francs:	
2.000% Senior Notes due 2017	4,638
1.130% Senior Notes due 2018	9,447
Total	Ps. 14,085
Denominated in Japanese yen:	
1.530% Senior Notes due 2016	730

2.950% Senior Notes due 2039		1,861
Total	Ps.	2,591
Denominated in Colombian pesos		2,459
Denominated in Brazilian reais		2,752
Denominated in other currencies		3,339
Total debt	Ps.	683,217
Less short-term debt and current portion of long-term debt		119,590
Total long-term debt	Ps.	563,627
Equity:		
Capital stock		96,338
Total retained earnings		172,332
Other comprehensive income (loss) items		(156,392)
Non-controlling interest		48,576
Total equity	Ps.	160,854
Total capitalization (total long-term debt plus equity)	Ps.	724,481

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

Mexican peso-denominated international notes. Our 8.46% senior notes due 2036 are denominated in Mexican pesos, but all amounts in respect of the notes are payable in U.S. dollars, unless a holder of notes elects to receive payment in Mexican pesos in accordance with certain specified procedures.

Mexican peso-denominated domestic notes. Our domestic senior notes (*certificados bursátiles*) sold in the Mexican capital markets have varying maturities, ranging from 2016 through 2037. Some bear interest at fixed rates, and others at variable rates based on TIIE (a Mexican interbank rate).

Global peso notes program. The Global peso notes program was established in November 2012. Since its establishment, we have issued peso-denominated notes that can be distributed and traded on a seamless basis in Mexico and internationally. The notes are registered with the SEC in the United States and with the CNBV in Mexico.

International notes. We have outstanding debt securities in the international markets denominated in U.S. dollars, pounds sterling and euros. We have also issued debt securities in the local markets in Switzerland and Japan. In addition to the international notes summarized in the table above, in March 2016, we issued a total of 1.5 billion new notes divided into two tranches: 850 million aggregate principal amount of 1.500% senior notes due in 2024 and 650 million aggregate principal amount of 2.125% senior notes due in 2028.

Hybrid Notes. In September 2013, we issued three series of Capital Securities maturing in 2073: two series denominated in euros and totaling 1,450 million, and one series denominated in pounds sterling in the amount of £550 million. The Capital Securities are deeply subordinated, and when they were issued the principal rating agencies stated that they would treat only half of the principal amount as indebtedness for purposes of evaluating our leverage (an analysis referred to as 50.0% equity credit). The Capital Securities are subject to redemption at our option at varying dates beginning in 2018 or 2023 for the euro-denominated series and beginning in 2020 for the sterling-denominated series.

Colombian peso-denominated notes. Comcel has issued notes in the Colombian capital markets denominated in Colombian pesos. The notes outstanding as of December 31, 2015 bear interest at 7.59% and mature in 2016.

Bank loans. At December 31, 2015, we had approximately Ps.52,189 million outstanding under a number of bank facilities bearing interest at fixed and variable rates. We also have two revolving syndicated

facilities one for U.S.\$2.5 billion (the Dollar Facility) expiring in 2019 and one for the Euro equivalent of U.S.\$2.1 billion (the Euro Facility) expiring in May 2016. Loans under the facilities bear interest at variable rates based on LIBOR and EURIBOR. Both facilities include covenants that limit our ability to incur secured debt, to effect a merger in which the surviving entity would not be América Móvil (or, under the Euro Facility, Telcel), or to sell substantially all of our assets. The Euro Facility also includes covenants that limit our ability to sell control of Telcel, to sell substantially all of Telcel's assets, or to impose any restrictions on the ability of Telcel to pay dividends or make distributions to us. In addition, the Dollar and Euro Facilities require us to maintain a consolidated ratio of debt to EBITDA not greater than 4.0 to 1.0 and a consolidated ratio of EBITDA to interest expense not less than 2.5 to 1.0. As of the date of this annual report, we are in compliance with these covenants. Telekom Austria also has a

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revolving syndicated facility for 1.0 billion (the TKA Facility). The TKA Facility of 1.0 billion bears interest at EURIBOR plus 0.375% and includes covenants that limit Telekom Austria's ability to incur secured debt, effect certain mergers or sell substantially all of its assets and our ability to transfer control over, or reduced our share ownership in, Telekom Austria.

Telekom Austria's Subordinated Perpetual 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 our option at par, in whole but not in part, on any interest reset date beginning in 2018. Under IFRS, we are required to classify the bonds as equity, because of their indefinite maturity, but we intend to redeem them in accordance with their terms at a time we deem convenient.

Some of the public securities issued by América Móvil in international and Mexican capital markets are guaranteed by Telcel. As of December 31, 2015, we had, on an unconsolidated basis, unsecured and unsubordinated indebtedness of approximately Ps.579.3 billion (U.S.\$33.7 billion) excluding guarantees of subsidiaries' indebtedness. As of December 31, 2015, our subsidiaries had indebtedness (excluding guarantees of indebtedness of us and our other subsidiaries) of approximately Ps.103.9 billion (U.S.\$6.0 billion).

Risk Management

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

We also use interest rate swaps from time to time to adjust our exposure to variable interest rates or to reduce our costs of financing. Our practices vary from time to time depending on our judgment of the level of risk, expectations as to exchange or interest rate movements and the costs of using derivative financial instruments. We may stop using derivative financial instruments or modify our practices at any time.

As of December 31, 2015, we had derivatives positions with an aggregate net fair value of Ps.30.1 billion, which are described in Note 8 to our audited consolidated financial statements. For additional information see Note 2 o) to our audited consolidated financial statements.

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CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Use of Estimates in Certain Accounting Policies

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

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

Fair Value of Financial Assets and Liabilities

We have substantial financial assets and liabilities that we recognize 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 we use 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 market price quotations, without any deduction for transaction costs, for financial instruments such as available for sale marketable securities and certain debt instruments 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 our financial assets and liabilities could materially impact our reported financial results.

Estimated Useful Lives of Plant, Property and Equipment

We estimate the useful lives of particular classes of plant, property and equipment in order to determine the amount of depreciation expense to be recorded in each period. Depreciation expense is a significant element of our costs and expenses, amounting in 2015 to Ps.110.2 billion, or 14.6% of our operating costs and expenses. See Note 11 to our audited consolidated financial statements.

We currently depreciate most of our plant and equipment based on an estimated useful life determined upon the expected particular conditions of operations and maintenance in each of the countries in which we operate. The estimates are based on our historical experience with similar assets, anticipated technological changes and other factors, taking into account the practices of other telecommunications companies. We review estimated useful lives each year to determine whether they should be changed, and at times, we have changed them for particular classes of assets. We may shorten the estimated useful life of an asset class in response to technological changes, changes in the

market or other developments. This results in increased depreciation expense.

Impairment of Long-Lived Assets

We have large amounts of long-lived assets, including property, plant and equipment, intangible assets, investments in associates and goodwill, on our balance sheet. Under IFRS, we are required to test long-lived assets for impairment when circumstances indicate a potential impairment or, in some cases, at least on an annual basis. The impairment analysis for long-lived assets requires us to estimate the recovery value of the asset, which is the greater of its fair value (minus any disposal costs) and its value in use. To estimate the fair value of a long-lived asset, we typically take into account recent market transactions or, if no such transactions can be identified, we use a

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valuation model that requires the making of certain assumptions and estimates. Similarly, to estimate the value in use of long-lived assets, we typically make various assumptions about the future prospects for the business to which the asset relates, consider market factors specific to that business and estimate discounted future cash flows to be generated by that business. Based on this impairment analysis, including all assumptions and estimates related thereto, as well as guidance provided by IFRS relating to the impairment of long-lived assets, we determine whether we need to take an impairment charge to reduce the carrying value of the asset as stated on our balance sheet. Assumptions and estimates about future values and remaining useful lives are complex and often subjective. They can be affected by a variety of factors, including external factors, such as industry and economic trends, and internal factors, such as changes in our business strategy and our internal forecasts. Different assumptions and estimates could materially impact our reported financial results. More conservative assumptions of the anticipated future benefits from these businesses could result in impairment charges, which would decrease net income and result in lower asset values on our balance sheet. Conversely, less conservative assumptions could result in smaller or no impairment charges, higher net income and higher asset values. See Note 2 y.4) to our audited consolidated financial statements.

Deferred Taxes

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

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

Accruals

Accruals are recorded when, at the end of the period, we have 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 we will assume certain responsibilities. The amount recorded is the best estimation performed by our management in respect of the expenditure that will be required to settle the obligations, considering all the information available at the date of our 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.

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

Labor Obligations

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

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

Allowance for Bad Debts

We maintain an allowance for bad debts for estimated losses resulting from the failure of customers, distributors and cellular operators to make required payments. We base these estimates on the individual conditions of each of the markets in which we operate that may impact the collectability of accounts. In particular, in making these estimates we take into account (i) with respect to accounts with customers, the number of days since the calls were made, (ii) with respect to accounts with distributors, the number of days invoices are overdue and (iii) with respect to accounts with 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 we actually experience with respect to these accounts may differ from the amount of the allowance maintained in connection with them.

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PART III: RISK FACTORS

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Risk Factors

RISKS RELATING TO OUR OPERATIONS

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

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

Among other things, our competitors could:

provide increased handset subsidies;

offer higher commissions to retailers;

provide free airtime or other services (such as internet access);

offer services at lower costs through double, triple and quadruple play packages or other pricing strategies;

expand their networks faster; or

develop and deploy improved technologies faster.

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

Our ability to compete successfully will depend on our coverage, the quality of our network and service, our rates, customer service, effective marketing, our success in selling double, triple and quadruple play packages and our ability to anticipate and respond to various competitive factors affecting the telecommunications industry, including new services and technologies, changes in consumer preferences, demographic trends, economic conditions and discount pricing strategies by competitors. If we are unable to respond to competition and compensate for declining prices by adding new customers, increasing usage and offering new services, our revenues and profitability could decline.

Governmental or regulatory actions could adversely affect our operations

Our operations are subject to extensive government regulation and can be adversely affected by changes in law, regulation or regulatory policy. The licensing, construction, operation, sale, resale and interconnection arrangements of telecommunications systems in Latin America and elsewhere are regulated to varying degrees by government or regulatory authorities. Any of these authorities having jurisdiction over our businesses could adopt or change regulations or take other actions that could adversely affect our operations. In particular, the regulation of prices that operators may charge for their services could have a material adverse effect by reducing our profit margins.

See Regulation under Part VI, Legal Proceedings under Part VII and Note 21 to our audited consolidated financial statements included in this annual report.

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In addition, changes in political administrations could lead to the adoption of policies concerning competition and taxation of communications services. For example, Mexico has developed a new legal framework that aims to promote competition and investment in the telecommunications sector by imposing asymmetric regulation upon economic agents deemed preponderant. In other countries, we could also face policies such as preferences for local over foreign ownership of communications licenses and assets or for government over private ownership, which could make it more cumbersome or impossible for us to continue to develop our businesses. Restrictions such as those described above could result in our incurring losses of revenues and require capital investments, all of which could materially adversely affect our businesses and results of operations.

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

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

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

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

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

Legal Framework for the Regulation of Telecommunications Services in Mexico

Mexico developed a new legal framework for the regulation of telecommunications and broadcasting services, based on a package of constitutional amendments enacted in June 2013 and implementing legislation enacted in July 2014. The new Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*, or the IFT) issued a resolution in March 2014, determining that our operating subsidiaries in Mexico are part of an economic interest group that is a preponderant economic agent in the Mexican telecommunications sector, and imposing certain asymmetric regulations on our Mexican fixed-line and wireless businesses. The July 2014 implementing legislation effecting the constitutional amendments, among other things, eliminated domestic long-distance call charges for fixed-line and wireless services provided by all carriers in Mexico and prohibited us from charging interconnection rates. These measures have taken effect and failure to comply with the new legal framework may result in material fines as well as restrictions on our operations and our ability to enter into new markets, such as broadcasting and Pay

TV. The long-term effects of the IFT measures and the implementing legislation could be adverse to our interests in significant respects and could materially adversely affect our business and results of operations.

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Risk Factors

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

Licensed radio spectrum is essential to our growth and the quality of our wireless services, not only for our global system for mobile communications (GSM), universal mobile telecommunications systems (UMTS) and long-term evolution (LTE) networks, but also for the deployment of new generation networks to offer improved data and value-added services. We obtain most of our radio spectrum through auctions conducted by governments of the countries in which we operate. Participation in spectrum auctions in most of these countries requires prior government authorization, and we may be subject to caps on our ability to acquire additional spectrum. Our inability to acquire additional radio spectrum capacity could affect our ability to compete successfully because it could result in, among other things, a decrease in the quality of our network and service and in our ability to meet the demands of our customers.

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

In addition, the continual maintenance and upgrading of our wireless networks is critical to expanding our coverage, increasing our capacity to absorb higher bandwidth usage and adapting to new technologies, as well as offering more specialized services to our customers.

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

Our concessions and licenses have specified terms, ranging typically from 5 to 20 years, and are generally subject to renewal upon payment of a fee, but renewal is not assured. The loss of, or failure to renew, any one concession could have a material adverse effect on our business and results of operations. Our ability to renew concessions and the terms of renewal are subject to a number of factors beyond our control, including the prevalent regulatory and political environment at the time of renewal. Fees are typically established at the time of renewal. As a condition for renewal, we may be required to agree to new and stricter terms and service requirements. In some of the jurisdictions where we operate and under certain circumstances, we may be required to transfer certain assets covered by some of our concessions to the government pursuant to valuation methodologies that vary in each jurisdiction. It is uncertain whether reversion would ever be applied and how reversion provisions would be interpreted in practice.

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

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

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

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We are subject to significant litigation

Some of our subsidiaries are subject to significant litigation that, if determined adversely to our interests, may have a material adverse effect on our business, results of operations, financial condition or prospects. Our significant litigation is described in Regulation under Part VI and in Note 21 to our audited consolidated financial statements included in this annual report.

We are contesting significant tax assessments

We and some of our subsidiaries have been notified of tax assessments for significant amounts by the tax authorities of the countries in which we operate, especially in Mexico, Brazil and Ecuador. The tax assessments relate to, among other things, alleged improper deductions and underpayments. We are contesting these tax assessments in several administrative and legal proceedings, and our challenges are at various stages. If determined adversely to us, these proceedings may have a material adverse effect on our business, results of operations, financial condition or prospects. In addition, in some jurisdictions, challenges to tax assessments require the posting of a bond or security for the contested amount, which may reduce our flexibility in operating our business. Our significant tax assessments are described in Note 21 to our audited consolidated financial statements included in this annual report.

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

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

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

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

physical damage to access lines and fixed networks;

power surges or outages;

natural disasters;

malicious actions, such as theft or misuse of customer data;

limitations on the use of our radio bases;

software defects;

human error; and

disruptions beyond our control.

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In Brazil, for example, our satellite operations may be affected if we experience a delay in launching new satellites to replace those currently in use when they reach the end of their operational lives. Such delay may occur because of, among other reasons, construction delays, unavailability of launch vehicles and/or launch failures.

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

Cyber-attacks or other breaches of network or information technology security could have an adverse effect on our business

Cyber-attacks or other breaches of network or information technology security may cause equipment failures or disruptions to our operations. Our inability to operate our fixed-line or wireless networks as a result of such events, even for a limited period of time, may result in significant expenses or loss of market share to other communications providers. In addition, the potential liabilities associated with these events could exceed the insurance coverage we maintain. Cyber-attacks, which include the use of malware, computer viruses and other means for disruption or unauthorized access to companies, have increased in frequency, scope and potential harm in recent years. The preventive actions we take to reduce the risk of cyber incidents and protect our information technology and networks may be insufficient to repel a major cyber-attack in the future. The costs associated with a major cyber-attack on us could include increased expenditures on cyber security measures, litigation, damage to our reputation, lost revenues from business interruption and the loss of existing customers and business partners. In addition, if we fail to prevent the theft of valuable information such as financial data and sensitive information about us, or if we fail to protect the privacy of customer and employee confidential data against breaches of network or information technology security, it could result in damage to our reputation, which could adversely impact customer and investor confidence. Any of these occurrences could result in a material adverse effect on our results of operations and financial condition.

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

The cost of acquiring a new subscriber is much higher than the cost of maintaining an existing subscriber. Accordingly, subscriber deactivations, or churn, could have a material negative impact on our operating income, even if we are able to obtain one new subscriber for each lost subscriber. A substantial majority of our subscribers are prepaid, and we do not have long-term contracts with them. Our weighted monthly average churn rate on a consolidated basis was 3.8% for the year ended December 31, 2014 and 3.9% for the year ended December 31, 2015. If we experience an increase in our churn rate, our ability to achieve revenue growth could be materially impacted. In addition, a decline in general economic conditions could lead to an increase in churn, particularly among our prepaid subscribers.

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

We rely upon various key suppliers and vendors to provide us with handsets, network equipment or services, which we need to expand and operate our business. If these suppliers or vendors fail to provide equipment or service to us on a timely basis, we could experience disruptions, which could have an adverse effect on our revenues and results of

operations. In addition, we might be unable to satisfy requirements under our concessions.

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Our ability to pay dividends and repay debt depends on our subsidiaries' ability to transfer income and dividends to us

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

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

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

RISKS RELATING TO THE TELECOMMUNICATIONS INDUSTRY GENERALLY

Changes in the telecommunications industry could affect our future financial performance

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

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

Some of our products and services use intellectual property that we own or license from others. We also provide content we receive from content producers and distributors, such as ring tones, text games, video games, video, including TV programs and movies, wallpapers or screensavers, and we outsource services to service providers, including billing and customer care functions, that incorporate or utilize intellectual property. We and some of our suppliers, content distributors and service providers have received, and may receive in the future, assertions and claims from third parties that the content, products or software utilized by us or our suppliers, content producers

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and distributors and service providers infringe on the patents or other intellectual property rights of these third parties. These claims could require us or an infringing supplier, content distributor or service provider to cease engaging in certain activities, including selling, offering and providing the relevant products and services. Such claims and assertions also could subject us to costly litigation and significant liabilities for damages or royalty payments, or require us to cease certain activities or to cease selling certain products and services.

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

Portable communications devices have been alleged to pose health risks, including cancer, due to radio frequency emissions. Lawsuits have been filed in the United States against certain participants in the wireless industry alleging various adverse health consequences as a result of wireless phone usage, and our subsidiaries may be subject to similar litigation in the future. Research and studies are ongoing, and there can be no assurance that further research and studies will not demonstrate a link between radio frequency emissions and health concerns. Any negative findings in these studies could adversely affect the use of wireless technology and, as a result, our future financial performance.

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

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

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

Members of one family may be deemed to control us

Based on reports of beneficial ownership of our shares filed with the SEC, Carlos Slim Helú, a member of our Board of Directors, together with his sons and daughters (together, the Slim Family), including his two sons who are co-chairs of our Board of Directors, Patrick Slim Domit and Carlos Slim Domit, may be deemed to control us. The Slim Family may be able to elect a majority of the members of our Board of Directors and to determine the outcome of other actions requiring a vote of our shareholders, except in very limited cases that require a vote of the holders of L Shares. The interests of the Slim Family may diverge from the interests of our other investors.

We have significant transactions with affiliates

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

course of business. Transactions with affiliates may create the potential for conflicts of interest.

We also make investments together with related parties, sell investments to related parties and buy investments from related parties. For more information about our transactions with affiliates, see [Related Party Transactions](#) under Part IV.

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Our bylaws restrict transfers of shares in some circumstances

Our bylaws provide that any acquisition or transfer of more than 10% of our capital stock by any person or group of persons acting together requires the approval of our Board of Directors. You may not acquire or transfer more than 10% of our capital stock without the approval of our Board of Directors.

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

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

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

Our bylaws provide that holders of L Shares are not permitted to vote except on such limited matters as, among others, the transformation or merger of América Móvil or the cancellation of registration of the L Shares with the Mexican Securities Registry (*Registro Nacional de Valores*, or RNV) maintained by the CNBV or any stock exchange on which they are listed. If you hold L Shares or L Share ADSs, you will not be able to vote on most matters, including the declaration of dividends, that are subject to a shareholder vote in accordance with our bylaws.

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

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

Mexican law and our bylaws restrict the ability of non-Mexican shareholders to invoke the protection of their governments with respect to their rights as shareholders

As required by Mexican law, our bylaws provide that non-Mexican shareholders shall be considered as Mexicans with respect to their ownership interests in América Móvil and shall be deemed to have agreed not to invoke the protection of their governments under certain circumstances. Under this provision, a non-Mexican shareholder is deemed to have agreed not to invoke the protection of his own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the shareholder's rights as a shareholder, but is not deemed to have waived any other rights it may have, including any rights under U.S. federal securities laws, with respect to its investment in América Móvil. If you invoke such governmental protection in violation of this provision, your shares could be forfeited to the Mexican government.

Our bylaws may only be enforced in Mexico

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

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

América Móvil is organized under the laws of Mexico, with its principal place of business in Mexico City, and most of our directors, officers and controlling persons reside outside the United States. In addition, all or a substantial portion of our assets and their assets are located outside of the United States. As a result, it may be difficult for

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investors to effect service of process within the United States on such persons or to enforce judgments against them, including in any action based on civil liabilities under U.S. federal securities laws. There is doubt as to the enforceability against such persons in Mexico, whether in original actions or in actions to judgments of U.S. courts, of liabilities based solely on U.S. federal securities laws.

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

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

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

RISKS RELATING TO DEVELOPMENTS IN MEXICO AND OTHER COUNTRIES

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

Our financial performance may be significantly affected by general economic, political and social conditions in the markets where we operate, particularly in Mexico, Brazil, Colombia, Central America, the United States and Europe. Many countries in Latin America and the Caribbean, including Mexico, Brazil and Argentina have suffered significant economic, political and social crises in the past, and these events may occur again in the future. We cannot predict whether changes in political administrations will result in changes in governmental policy and whether such changes will affect our business. Factors related to economic, political and social conditions that could affect our performance include:

significant governmental influence over local economies;

substantial fluctuations in economic growth;

high levels of inflation;

changes in currency values;

exchange controls or restrictions on expatriation of earnings;

high domestic interest rates;

price controls;

changes in governmental economic or tax policies;

imposition of trade barriers;

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unexpected changes in regulation; and

overall political, social and economic instability.

Adverse economic, political and social conditions in Latin America, the United States, the Caribbean or in Europe may inhibit demand for telecommunication services and create uncertainty regarding our operating environment or may affect our ability to renew our licenses and concessions, to maintain or increase our market share or profitability and may have an adverse impact on future acquisition efforts, which could have a material adverse effect on our company.

Our business may be especially affected by conditions in Mexico and Brazil, two of our largest markets. For example, our results of operations were adversely affected by weak economic conditions in Brazil in 2015, and may be so affected again in the future.

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

We are affected by fluctuations in the value of the currencies in which we conduct operations compared to the currencies in which our indebtedness is denominated. Such changes result in exchange losses or gains on our net indebtedness and accounts payable. In 2015, we reported net foreign exchange losses of Ps.79.0 billion.

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

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

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

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

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

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PART IV: SHARE OWNERSHIP AND TRADING

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The following table sets forth our capital structure as of March 31, 2016.

Series	Number of Shares (millions)	Percent of Capital	Combined A Shares and AA Shares⁽¹⁾
L Shares (no par value)	42,532	64.6%	
AA Shares (no par value)	22,684	34.5%	97.4%
A Shares (no par value)	607	0.9%	2.6%
Total	65,823	100.0%	100.0%

(1) The AA Shares and A Shares of AMX, together, are entitled to elect a majority of our directors. Holders of L Shares are entitled to limited voting rights under our bylaws. See *Bylaws Voting Rights* under this Part IV. According to reports of beneficial ownership of our shares filed with the SEC, Carlos Slim Helú, together with his sons and daughters (together, the *Slim Family*) may be deemed to control us through their interests in a Mexican trust that holds AA Shares and L Shares for their benefit (the *Family Trust*), their interest in Inversora Carso, S.A. de C.V., including its subsidiary Control Empresarial de Capiales, S.A. de C.V. (CEC), and their direct ownership of our shares. See *Management Directors* and *Management Executive Committee* under Part V and *Related Party Transactions* under this Part IV.

The following table identifies owners of more than 5.0% of any series of our shares as of March 31, 2016. Except as described in the table below and the accompanying notes, we are not aware of any holder of more than 5.0% of any series of our shares. Figures below do not include L Shares that would be held by each shareholder upon conversion of AA Shares or A Shares, as provided for under our bylaws. See *Bylaws Share Capital* under this Part IV.

Shareholder	Shares Owned (millions)	Percent
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		of Class⁽¹⁾
AA Shares:		
Family Trust ⁽²⁾	10,894	48.0%
Inversora Carso ⁽³⁾	6,431	28.3%
Carlos Slim Helú ⁽²⁾	1,879	8.2%
L Shares:		
Family Trust ⁽²⁾	5,998	14.3%
Inversora Carso ⁽³⁾	3,886	9.1%
Carlos Slim Helú ⁽²⁾	3,072	7.3%

(1) Percentage figures are based on the number of shares outstanding as of March 31, 2016.

(2) The Family Trust is a Mexican trust that holds AA Shares and L Shares for the benefit of members of the Slim Family. In addition to shares held by the Family Trust, members of the Slim Family, including Carlos Slim Helú, directly own an aggregate of 3,558 million AA Shares and 9,570 million L Shares representing 15.6% and 22.5%, respectively, of each series. According to beneficial ownership reports filed with the SEC, none of these members of the Slim Family, other than Carlos Slim Helú, individually directly own more than 5.0% of any class of our shares.

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(3) Formerly known as Inmobiliaria Carso. Includes shares owned by subsidiaries of Inversora Carso. Based on beneficial ownership reports filed with the SEC, Inversora Carso is a Mexican *sociedad anónima de capital variable* and may be deemed to be controlled by the Slim Family.

As of March 31, 2016, 15.3% of the outstanding L Shares were represented by L Share ADSs, each representing the right to receive 20 L Shares, and 99.3% of the L Share ADSs were held by 8,428 registered holders with addresses in the United States. As of such date, 29.1% of the A Shares were held in the form of A Share ADSs, each representing the right to receive 20 A Shares, and 99.5% of the A Share ADSs were held by 3,749 registered holders with addresses in the United States. Each A Share may be exchanged at the option of the holder for one L Share.

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

AA Shares;

A Shares not represented by ADSs; or

L Shares not represented by ADSs.

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RELATED PARTY TRANSACTIONS

Our subsidiaries purchase materials or services from a variety of companies that may be deemed for certain purposes to be under common control with us, including Telesites, Grupo Carso and Grupo Financiero Inbursa and their respective subsidiaries. These services include insurance and banking services provided by Grupo Financiero Inbursa and its subsidiaries. In addition, we sell products in Mexico through the Sanborns and Sears Operadora México, S.A. de C.V. (Sears) store chains. Some of our subsidiaries also purchase network construction services and materials from subsidiaries of Grupo Carso. Our subsidiaries purchase these materials and services on terms no less favorable than they could obtain from unaffiliated parties, and would have access to other sources if our related parties ceased to provide them on competitive terms.

We lease space on telecommunications towers owed by Telesites, which we spun off in December 2015. We and Telesites have entered into an agreement providing for site usage fees, annual price escalations and fixed annual charges that permit us to install a pre-determined amount of equipment at the sites and provide for incremental fee payments if capacity use is exceeded. The principal economic terms of the agreement conform to the reference terms published by Telesites and approved by IFT.

Note 7 to our audited consolidated financial statements included in this annual report provides additional information about our related party transactions.

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We regularly pay cash dividends on our shares. The table below sets forth the nominal amount of dividends paid per share on each date indicated, in pesos and translated into U.S. dollars at the exchange rate on each of the respective payment dates.

Payment Date	Pesos per Share	Dollars per Share
November 13, 2015	Ps.0.13	U.S.\$ 0.0078
September 25, 2015	Ps.0.30	U.S.\$ 0.0177
July 17, 2015	Ps.0.13	U.S.\$ 0.0082
November 14, 2014	Ps.0.12	U.S.\$ 0.0082
July 18, 2014	Ps.0.12	U.S.\$ 0.0082
November 15, 2013	Ps.0.11	U.S.\$ 0.0084
July 19, 2013	Ps.0.11	U.S.\$ 0.0084

In April 2016, our shareholders approved a dividend of Ps.0.28 per share, payable in two equal installments in July and November 2016. The declaration, amount and payment of dividends by América Móvil is determined by majority vote of the holders of AA Shares and A Shares, generally on the recommendation of the Board of Directors, and depends on our results of operations, financial condition, cash requirements, future prospects and other factors considered relevant by the holders of AA Shares and A Shares.

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

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

L Shares	Mexican Stock Exchange Mexico City, Mercado de Valores Latinoamericanos en Euros (Latibex) Madrid
L Share ADSs	New York Stock Exchange New York
A Shares	Mexican Stock Exchange Mexico City
A Share ADSs	NASDAQ National Market New York

The following table sets forth reported high and low sales prices for the L Shares on the Mexican Stock Exchange and the reported high and low sales prices for the L Share ADSs on the NYSE. Prices for 2011 have been adjusted to reflect the two-for-one stock split effected in June 2011.

	Mexican Stock Exchange				NYSE			
	High		Low		High		Low	
	(pesos per L Share)				(U.S. dollars per L Share ADS)			
Annual highs and lows								
2011	Ps.	19.09	Ps.	13.67	U.S.\$	26.42	U.S.\$	21.10
2012		18.35		14.79		28.28		22.19
2013		16.19		11.60		25.62		18.47
2014		17.51		12.43		26.38		19.17
2015		16.44		11.96		23.58		14.06
Quarterly highs and lows								
2014:								
First quarter	Ps.	15.22	Ps.	12.65	U.S.\$	23.37	U.S.\$	19.17

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Second quarter		13.52		12.43		20.80		19.33
Third quarter		17.51		13.43		26.38		20.72
Fourth quarter		16.83		15.05		25.04		20.39
2015:								
First quarter		Ps. 16.37		Ps. 15.20		U.S.\$ 23.58		U.S.\$ 19.52
Second quarter		16.25		14.70		22.27		20.10
Third quarter		15.86		13.31		21.11		16.43
Fourth quarter		14.09		11.96		17.92		14.06
2016:								
First quarter		Ps. 13.53		Ps. 10.92		U.S.\$ 15.55		U.S.\$ 12.16

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	Mexican Stock Exchange		NYSE	
	High (pesos per L Share)	Low	High (U.S. dollars per L Share ADS)	Low
Monthly highs and lows 2015:				
October	Ps. 14.09	Ps. 13.32	U.S.\$ 17.92	U.S.\$ 16.80
November	13.81	12.72	17.76	15.95
December	13.05	11.96	16.57	14.06
2016:				
January	Ps. 12.79	Ps. 10.92	U.S.\$ 14.14	U.S.\$ 12.16
February	13.19	11.82	14.45	12.25
March	13.53	12.57	15.55	14.06
April (through April 15)	13.73	13.33	15.70	14.91

Source: Bloomberg

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The table below sets forth reported high and low sales prices for the A Shares on the Mexican Stock Exchange and the high and low bid prices for A Share ADSs published by NASDAQ. Bid prices published by NASDAQ for the A Share ADSs are inter-dealer quotations and may not reflect actual transactions. Prices for 2011 have been adjusted to reflect the two-for-one stock split effected in June 2011.

	Mexican Stock Exchange				NASDAQ			
		High	Low		High	Low		
		(pesos per A Share)			(U.S. dollars per A Share ADS)			
Annual highs and lows								
2011	Ps.	18.03	Ps.	13.14	U.S.\$	29.56	U.S.\$	20.88
2012		18.46		14.01		28.08		21.33
2013		16.00		11.60		25.55		18.56
2014		17.61		12.50		26.46		19.16
2015		16.14		11.91		23.52		13.99
Quarterly highs and lows								
2014:								
First quarter	Ps.	15.58	Ps.	12.53	U.S.\$	23.32	U.S.\$	19.16
Second quarter		13.50		12.50		20.80		19.26
Third quarter		17.61		13.40		26.46		20.61
Fourth quarter		16.80		15.02		25.05		20.33
2015:								
First quarter	Ps.	16.60	Ps.	15.01	U.S.\$	23.52	U.S.\$	19.50
Second quarter		16.14		14.35		22.10		20.02
Third quarter		15.78		13.30		21.08		16.36
Fourth quarter		14.02		11.91		17.93		13.99

2016:

First quarter	Ps.	13.50	Ps.	11.28	U.S.\$	15.71	U.S.\$	12.07
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Monthly highs and lows

2015:

October	Ps.	14.02	Ps.	13.23	U.S.\$	17.93	U.S.\$	16.77
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November		13.95		12.62		17.71		16.01
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December		12.93		11.91		16.55		13.99
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2016:

January	Ps.	12.20	Ps.	11.28	U.S.\$	14.00	U.S.\$	12.07
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February		12.89		11.61		14.45		12.15
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March		13.50		12.92		15.71		13.91
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April (through April 15)		13.64		13.40		15.93		14.95
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Source: Bloomberg

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BYLAWS

Set forth below is a brief summary of certain significant provisions in our bylaws and Mexican law. This description does not purport to be complete and is qualified by reference to our bylaws, a translation of which has been filed with the SEC as an exhibit to this annual report. For a description of the provisions of our bylaws relating to our Board of Directors, Executive and Audit and Corporate Practices Committees and External Auditor, see [Management](#) under Part V.

Organization and Register

América Móvil is a *sociedad anónima bursátil de capital variable* organized in Mexico under the Mexican General Corporations Law (*Ley General de Sociedades Mercantiles*) and the Mexican Securities Market Law (*Ley del Mercado de Valores*). It was registered in the Public Registry of Commerce of Mexico City on October 13, 2000 under the number 263,770.

Corporate Purpose

Our main corporate purpose, as set out in Article Three of our bylaws, is to promote, incorporate, organize, exploit, acquire and participate in the capital stock or assets of all types of civil or commercial companies, partnerships and industrial, commercial, service or other entities, whether domestic or foreign, and to participate in the management or liquidation thereof.

Share Capital

Our capital stock comprises AA Shares, without par value, A Shares, without par value and L Shares, without par value. All of the outstanding shares are fully paid and non-assessable.

AA Shares and A Shares have full voting rights. Holders of L Shares may vote only in limited circumstances as described under [Voting Rights](#) under this Part IV. The rights of holders of all series of capital stock are identical except for the voting rights and the limitations on non-Mexican ownership of AA Shares. Any changes in the rights of the holders of a series of capital stock must be approved by a majority of the holders of that series. The AA Shares, which must always represent at least 51.0% of the combined AA Shares and A Shares, may be owned only by holders that qualify as Mexican investors as defined in the Foreign Investment Law (*Ley de Inversión Extranjera*) and our bylaws. See [Limitations on Share Ownership](#) under this Part IV.

Each AA Share or A Share may be exchanged at the option of the holder for one L Share, provided that the AA Shares may never represent less than 20.0% of our outstanding capital stock or less than 51.0% of our combined AA Shares and A Shares.

Voting Rights

Each AA Share and A Share entitles the holder thereof to one vote at any meeting of our shareholders. Each L Share entitles the holder to one vote at any meeting at which holders of L Shares are entitled to vote. Holders of L Shares are entitled to vote to elect only two members of the Board of Directors and the corresponding alternate directors, as well as on the following matters:

our transformation from one type of company to another;

any merger involving us;

the extension of our authorized corporate life;

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our voluntary dissolution;

any change in our corporate purpose;

any transaction that represents 20.0% or more of the Company's consolidated assets;

any change in our state of incorporation;

removal of our shares from listing on the Mexican Stock Exchange or any foreign stock exchange; and

any action that would prejudice the rights of holders of L Shares.

A resolution on any of the specified matters requires the affirmative vote of both a majority of all outstanding shares and a majority of the AA Shares and the A Shares voting together.

Under Mexican law, holders of shares of any series are also entitled to vote as a class on any action that would prejudice the rights of holders of shares of such series, and a holder of shares of such series would be entitled to judicial relief against any such action taken without such a vote. There are no other procedures for determining whether a proposed shareholder action requires a class vote, and Mexican law does not provide extensive guidance on the criteria to be applied in making such a determination.

Shareholders Meetings

General shareholders meetings may be ordinary meetings or extraordinary meetings. Extraordinary general meetings are those called to consider certain matters specified in Article 182 of the Mexican General Corporations Law, including, principally, amendments of the bylaws, liquidation, merger and transformation from one type of company to another, as well as to consider the removal of our shares from listing on the Mexican Stock Exchange or any foreign stock exchange. General meetings called to consider all other matters are ordinary meetings. The two directors elected by the holders of L Shares are elected at a special meeting of holders of L Shares. All other matters on which holders of L Shares are entitled to vote would be considered at an extraordinary general meeting.

A special meeting of the holders of L Shares must be held each year for the election or reelection of directors. An ordinary general meeting of the holders of AA Shares and A Shares must be held each year to consider the approval of the financial statements for the preceding fiscal year, to elect or reelect directors and to determine the allocation of the profits of the preceding year. Transactions that represent 20.0% or more of our consolidated assets in any fiscal year must be approved by an ordinary general shareholder meeting of all shareholders, including holders of L Shares.

The quorum for an ordinary general meeting of the AA Shares and A Shares is 50.0% of such shares, and action may be taken by a majority of the shares present. If a quorum is not available, a second meeting may be called at which action may be taken by a majority of the AA Shares and A Shares present, regardless of the number of such shares. Special meetings of holders of L Shares are governed by the same rules applicable to ordinary general meetings of holders of AA Shares and A Shares. The quorum for an extraordinary general meeting at which holders of L Shares may not vote is 75.0% of the AA Shares and A Shares, and the quorum for an extraordinary general meeting at which holders of L Shares are entitled to vote is 75.0% of the outstanding capital stock. If a quorum is not available in either case, a second meeting may be called and action may be taken, provided a majority of the shares entitled to vote is present. Whether on first or second call, actions at an extraordinary general meeting may be taken by a majority vote of the AA Shares and A Shares outstanding and, on matters which holders of L Shares are entitled to vote, a majority vote of all the capital stock.

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Holders of 20.0% of our outstanding capital stock may have any shareholder action set aside by filing a complaint with a court of law within 15 days after the close of the meeting at which such action was taken and showing that the challenged action violates Mexican law or our bylaws. In addition, any holder of our capital stock may bring an action at any time within five years challenging any shareholder action. Relief under these provisions is only available to holders:

who were entitled to vote on, or whose rights as shareholders were adversely affected by, the challenged shareholder action; and

whose shares were not represented when the action was taken or, if represented, were voted against it. Shareholders' meetings may be called by the Board of Directors, its chairman, its corporate secretary, the Chairman of the Audit and Corporate Practices Committee or a court. The Chairman of the Board of Directors or the Chairman of the Audit and Corporate Practices Committee may be required to call a meeting of shareholders by the holders of 10.0% of the outstanding capital stock. Notice of meetings must be published in the Official Gazette or a newspaper of general circulation in Mexico City at least 15 days prior to the meeting.

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

Dividend Rights

At the annual ordinary general meeting of holders of AA Shares and A Shares, the Board of Directors submits our financial statements for the previous fiscal year, together with a report thereon by the Board, to the holders of AA Shares and A Shares for approval. The holders of AA Shares and A Shares, once they have approved the financial statements, determine the allocation of our net profits for the preceding year. They are required by law to allocate 5.0% of such net profits to a legal reserve, which is not thereafter available for distribution except as a stock dividend, until the amount of the legal reserve equals 20.0% of our capital stock. The remainder of net profits is available for distribution.

All shares outstanding at the time a dividend or other distribution is declared are entitled to participate in such dividend or other distribution, subject to certain preferential rights of the L Shares. See [Preferential Rights of L Shares](#) under this Part IV.

Preferential Rights of L Shares

Holders of L Shares are entitled to receive a cumulative preferred annual dividend of 0.00042 pesos per share before any dividends are payable in respect of any other class of América Móvil capital stock. If we pay dividends with respect to any fiscal year in addition to the L Share preferred dividend, such dividends must be allocated:

first, to the payment of dividends with respect to the A Share and AA Shares, in an equal amount per share, up to the amount of the L Share preferred dividend, and

second, to the payment of dividends with respect to all classes of América Móvil shares such that the dividend per share is equal.

Upon our liquidation, holders of L Shares will be entitled to a liquidation preference equal to:

accrued but unpaid L Share preferred dividends, plus

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0.00042 pesos per share (representing the capital attributable to such shares as set forth in our bylaws) before any distribution is made in respect of our other capital stock in accordance with Article 113 of the Mexican General Corporations Law.

Following payment in full of any such amount, holders of AA Shares and A Shares are entitled to receive, if available, an amount per share equal to the liquidation preference paid per L Share. Following payment in full of the foregoing amounts, all shareholders share equally, on a per-share basis, in any remaining amounts payable in respect of our capital stock.

Limitation on Capital Increases

Our bylaws require that any capital increase be represented by new shares of each series in proportion to the number of shares of each series outstanding.

Preemptive Rights

In the event of a capital increase, except in certain circumstances such as mergers, convertible debentures, public offers and placement of repurchased shares, a holder of existing shares of a given series has a preferential right to subscribe for a sufficient number of shares of the same series to maintain the holder's existing proportionate holdings of shares of that series. Preemptive rights must be exercised within the next 15 calendar days following the publication of notice of the capital increase in the Official Gazette and a newspaper of general circulation in Mexico City. Under Mexican law, preemptive rights cannot be traded separately from the corresponding shares that give rise to such rights. As a result, there is no trading market for the rights in connection with a capital increase. Holders of ADSs may exercise preemptive rights only through the depository. We are not required to take steps that may be necessary to make this possible.

Limitations on Share Ownership

Our bylaws provide that at least 20.0% of our capital stock must consist of AA Shares. Our bylaws also provide that A Shares and L Shares together cannot represent more than 80.0% of our capital stock. AA Shares can only be held or acquired by:

Mexican citizens;

Mexican corporations whose capital stock is held completely by Mexican citizens;

Mexican corporations in which at least 51.0% of the capital stock may only be held or acquired by
(i) Mexican citizens or (ii) Mexican corporations;

Mexican credit and insurance companies;

Mexican investment companies operating under the Investment Companies Law (*Ley de Sociedades de Inversión*) and Mexican institutional investors as defined in the Mexican Securities Market Law; and

Trusts expressly permitted to acquire AA Shares in accordance with Mexican law and in which (i) the majority of the trustee's rights are held by Mexican citizens, corporations whose capital stock is held by Mexican citizens in its majority, and Mexican credit, insurance and investment companies or (ii) the AA Shares controlled by the trust represent a minority of the outstanding AA Shares and are voted in the same manner as the majority of the outstanding AA Shares.

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If a foreign government or state acquires our AA Shares, such shares would immediately be rendered without effect or value.

Non-Mexican investors cannot hold AA Shares except through trusts that effectively neutralize their votes.

Our bylaws include a provision called a foreign exclusion clause. Under the foreign exclusion clause, ownership of our shares is restricted to holders that qualify as Mexican investors under Mexican law. The foreign exclusion clause does not apply to the L Shares, and under transitional provisions adopted by our shareholders it does not limit foreign ownership of A Shares outstanding as of the date of the shareholders' meeting approving the amendment.

Restrictions on Certain Transactions

Our bylaws provide that any transfer of more than 10.0% 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 our bylaws require it to designate an alternate transferee, who must pay market price for the shares as quoted on the Mexican Stock Exchange.

Restrictions on Deregistration in Mexico

Our shares are registered with the RNV maintained by the CNBV, as required under the Mexican Securities Market Law and regulations issued by the CNBV.

If we wish to cancel our registration, or if it is cancelled by the CNBV, we are required to conduct a public offer to purchase all the outstanding shares prior to such cancellation. Such offer shall be addressed exclusively to those persons other than the members of the controlling group of shareholders, who were shareholders or holders of other securities representing such shares (i) as of the date set forth by the CNBV, if the registration is cancelled by resolution thereof or (ii) as of the date of the resolution adopted by the general extraordinary shareholders meeting, if the registration is cancelled voluntarily.

Our bylaws provide that if, after the public offer is concluded, there are still outstanding shares held by the general public, América Móvil will be required to create a trust for a period of six months, into which we will be required to contribute funds in an amount sufficient to purchase, at the same price as the offer price, the number of outstanding shares held by the general public that did not participate in the offer.

Unless the CNBV authorizes otherwise, upon the prior approval of the Board of Directors, which must take into account the opinion of the audit and corporate practices committee, the offer price will be the higher of: (i) the average of the closing price during the previous 30 days on which the shares may have been quoted or (ii) the book value of the shares in accordance with the most recent quarterly report submitted to the CNBV and to the Mexican Stock Exchange.

The voluntary cancellation of the registration shall be subject to (i) the prior authorization of the CNBV and (ii) the authorization of not less than 95.0% of the outstanding capital stock in a general extraordinary shareholders' meeting.

Tender Offer Requirement

Our bylaws provide that any purchasers or group of purchasers that obtain or increase a significant participation (i.e., 30.0% or more) in our capital stock without conducting a previous public offer in accordance with the applicable rules issued by the CNBV, will not have the right to exercise the corporate rights of their shares and we will not register such shares in the share registry book.

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Other Provisions

Variable capital. We are permitted to issue shares constituting fixed capital and shares constituting variable capital. All of our outstanding shares of capital stock constitute fixed capital. The issuance of variable capital shares, unlike the issuance of fixed capital shares, does not require an amendment of the bylaws, although it does require a majority vote of the AA Shares and the A Shares.

Forfeiture of shares. As required by Mexican law, our bylaws provide that any non-Mexican person who at the time of incorporation or at any time thereafter acquires an interest or participation in our capital shall be considered, by virtue thereof, as Mexican in respect thereof and shall be deemed to have agreed not to invoke the protection of his own government, under penalty, in case of breach of such agreement, of forfeiture to the nation of such interest or participation. Under this provision, a non-Mexican shareholder is deemed to have agreed not to invoke the protection of his own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the shareholder's rights as a shareholder, but is not deemed to have waived any other rights it may have, including any rights under U.S. federal securities laws, with respect to its investment in América Móvil. If the shareholder invokes such governmental protection in violation of this agreement, its shares could be forfeited to the Mexican government. Mexican law requires that such a provision be included in the bylaws of all Mexican corporations unless such bylaws prohibit ownership of shares by non-Mexican persons.

Exclusive jurisdiction. Our bylaws provide that legal actions relating to the execution, interpretation or performance of the bylaws shall be brought only in Mexican courts.

Duration. Our existence under the bylaws continues indefinitely.

Purchase of our own shares. According to the bylaws, we may repurchase our shares on the Mexican Stock Exchange at any time at the then-prevailing market price. Any such repurchase must conform to guidelines established by the Board of Directors, and the amount available to repurchase shares must be approved by the general ordinary shareholders' meeting. The economic and voting rights corresponding to repurchased shares may not be exercised during the period in which we own such shares, and such shares are not deemed to be outstanding for purposes of calculating any quorum or vote at any shareholders' meeting during such period.

Conflict of interest. A shareholder that votes on a business transaction in which its interest conflicts with our interests may be liable for damages, but only if the transaction would not have been approved without its vote.

Appraisal rights. Whenever shareholders approve a change of corporate purposes, change of nationality of the corporation or transformation from one type of company to another, any shareholder entitled to vote on such change that has voted against it may withdraw from América Móvil and receive the book value attributable to its shares, provided it exercises its right within 15 days following the adjournment of the meeting at which the change was approved.

Rights of Shareholders

The protections afforded to minority shareholders under Mexican law are different from those in the United States and many other jurisdictions. The substantive law concerning fiduciary duties of directors has not been the subject of

extensive judicial interpretation in Mexico, unlike states in the United States where duties of care and loyalty elaborated by judicial decisions help to shape the rights of minority shareholders. Mexican civil procedure does not contemplate class actions, which in U.S. courts permit shareholders to bring actions on behalf of other shareholders. Shareholders cannot challenge corporate action taken at a shareholders meeting unless they meet certain procedural requirements, as described above under Shareholders Meetings.

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As a result of these factors, in practice it may be more difficult for our minority shareholders to enforce rights against us or our directors or controlling shareholders than it would be for shareholders of a U.S. company.

In addition, under U.S. federal securities laws, as a foreign private issuer we are exempt from certain rules that apply to domestic U.S. issuers with equity securities registered under the Exchange Act, including the proxy solicitation rules and the rules requiring disclosure of share ownership by directors, officers and certain shareholders. We are also exempt from many corporate governance requirements of the NYSE and NASDAQ. For a comparison of our corporate governance policies and the corporate governance requirements of the NYSE and NASDAQ, see *Corporate Governance* under Part V.

Enforceability of Civil Liabilities

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

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The Bank of New York Mellon (the Depository) serves as the depository for our ADSs. ADS holders are required to pay various fees to the Depository, and the Depository may refuse to provide any service for which a fee is assessed until the applicable fee has been paid.

ADS holders are required to pay the Depository amounts in respect of expenses incurred by the Depository or its agents on behalf of ADS holders, including expenses arising from (i) taxes or other governmental charges, (ii) registration fees payable to us that may be applicable to the transfer of shares upon deposits to or withdrawals from the ADS program, (iii) cable, telex, and facsimile transmission, (iv) conversion of foreign currency into U.S. dollars or (v) servicing of the ADSs or the shares underlying ADSs. The Depository may decide in its sole discretion to seek payment either by billing holders or by deducting the fee from one or more cash dividends or other cash distributions.

ADS holders are also required to pay additional fees for certain services provided by the Depository, as set forth in the table below.

Depository service	Fee payable by ADS holders
Issuance and delivery of ADSs, including in connection with share distributions, rights, sales and stock splits	Up to U.S.\$5.00 per 100 ADSs (or portion thereof)
Cash distributions	U.S.\$0.02 or less per ADS
Surrender, withdrawal or cancellation	Up to U.S.\$5.00 per 100 ADSs (or portion thereof)

Payments by the Depository

The Depository reimburses us for certain expenses we incur in connection with the ADR program, subject to a ceiling agreed between us and the Depository from time to time. These reimbursable expenses currently include legal and accounting fees, listing fees, investor relations expenses and fees payable to service providers for the distribution of material to ADR holders. During the year ended December 31, 2015, the Depository did not pay us for any reimbursable expenses.

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We periodically repurchase our L Shares and A Shares on the open market using funds authorized by our shareholders specifically for the repurchase of L Shares and A Shares by us at our discretion. In the annual ordinary shareholders meeting held on April 18, 2016, our shareholders authorized an allocation of Ps.12 billion to repurchase L Shares and A Shares from April 2016 to April 2017.

The following tables set out information concerning purchases of our L Shares and A Shares by us and our affiliated purchasers in 2015. We did not repurchase our L Shares or A Shares other than through the share repurchase program.

Period	Total Number of L Shares Purchased ⁽¹⁾	Average Price Paid per L Share	Total Number of L Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Mexican peso Value of L Shares that May Yet Be Purchased Under the Plans or Programs ⁽²⁾
January 2015	207,500,000	16.56	207,500,000	13,512,427,602
February 2015	185,253,074	16.18	185,253,074	10,528,006,074
March 2015	231,000,000	15.69	231,000,000	6,924,801,687
April 2015	324,435,451	15.91	324,435,451	36,537,271,471
May 2015	193,780,272	15.91	193,780,272	33,470,881,476
June 2015	225,000,100	16.28	225,000,100	29,828,168,918
July 2015	304,038,044	15.98	245,538,044	25,870,474,718
August 2015	259,061,139	15.47	227,300,000	22,362,075,998
September 2015	182,712,209	14.74	97,376,690	20,924,421,154
October 2015	221,152,665	14.31	76,200,000	19,828,555,845
November 2015	450,547,335	13.91	116,000,000	18,216,547,915
December 2015	167,111,128	12.91	18,000,000	17,977,133,129

Total	2,951,591,417	2,147,383,631
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(1) This includes purchases by us and our affiliated purchasers in 2015.

(2) This is the approximate peso amount available at the end of the period for purchases of both L Shares and A Shares pursuant to our share repurchase program.

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Period	Total Number of A Shares Purchased (1)	Average Price Paid per A Share	Total Number of A Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Mexican peso Value of A Shares that May Yet Be Purchased Under the Plans or Programs (2)
January 2015				13,512,427,602
February 2015	246,926	16.33	246,926	10,528,006,074
March 2015				6,924,801,687
April 2015	1,564,549	16.95	1,564,549	36,537,271,471
May 2015	19,728	16.20	19,728	33,470,881,476
June 2015				29,828,168,918
July 2015	661,856	16.50	661,856	25,870,474,718
August 2015				22,362,075,998
September 2015	123,310	15.02	123,310	20,924,421,154
October 2015				19,828,555,845
November 2015	23,475	13.70		18,216,574,915
December 2015	3	13.40		17,977,133,129
Total	2,639,847		2,616,369	

(1) This includes purchases by us and our affiliated purchasers in 2015.

(2) This is the approximate peso amount available at the end of the period for purchases of both L Shares and A Shares pursuant to our share repurchase program.

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TAXATION OF SHARES AND ADSs

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

The Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion and the protocols thereto between the United States and Mexico currently in force (together, the Tax Treaty). The United States and Mexico have also entered into an agreement concerning the exchange of information with respect to tax matters.

This discussion does not constitute, and should not be considered as, legal or tax advice to holders. The discussion is for general information purposes only and is based upon the federal tax laws of Mexico (including the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*, or the Mexican Income Tax Law) and the Mexican Federal Tax Code) and the United States as in effect on the date of this annual report (including the Tax Treaty), which are subject to change, and such changes may have retroactive effects. Holders of shares or ADSs should consult their own tax advisors as to the Mexican, U.S. or other tax consequences of the purchase, ownership and disposition of shares or ADSs, including, in particular, the effect of any foreign, state or local tax laws.

MEXICAN TAX CONSIDERATIONS

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

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

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

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

- a. whose shares were not acquired through the Mexican Stock Exchange or other markets authorized by the Ministry of Finance and Public Credit (Secretaría de Hacienda y Crédito Público) or the Mexican Federal Tax Code;
- b. of shares or ADSs that control us;
- c. that holds 10% or more of our shares;

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- d. that is part of a group of persons for purposes of Mexican law that controls us (or holds 10% or more of our shares); or
- e. that is a resident of Mexico or is a corporation resident in a tax haven (as defined by the Mexican Income Tax Law).

Tax Treaties

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

The Mexican Income Tax Law has established procedural requirements for a nonresident holder to be entitled to benefits under any of the tax treaties to which Mexico is a party, including on dispositions and dividends. These procedural requirements include, among others, the obligation to (i) prove tax treaty residence, (ii) file tax calculations made by an authorized certified public accountant or an informational tax statement, as the case may be, and (iii) appoint representatives in Mexico for taxation purposes. Parties related to the issuer may be subject to additional procedural requirements.

Payment of Dividends

Dividends, either in cash or in kind, paid with respect to 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 are eligible for benefits under an income tax treaty to which Mexico is a party.

Taxation of Dispositions

The tax rate on income realized by a nonresident holder from a disposition of shares through the Mexican Stock Exchange is generally 10%, which is applied to the net gain realized on the disposition. This tax is payable through withholding made by intermediaries. However, such withholding does not apply to a nonresident holder who certifies that the holder is resident in a country with which Mexico has entered into an income tax treaty.

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

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

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

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

Other Mexican Taxes

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

U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax consequences to U.S. holders (as defined below) of the acquisition, ownership and disposition of shares or ADSs. The summary does not purport to be a comprehensive description of all of the tax consequences of the acquisition, ownership or disposition of shares or ADSs. The summary applies only to U.S. holders that will hold their shares or ADSs as capital assets and does not apply to special classes of U.S. holders such as dealers in securities or currencies, holders with a functional currency other than the U.S. dollar, holders of 10% or more of our voting shares (whether held directly or through ADSs or both), tax-exempt organizations, banks, insurance companies, or other financial institutions, holders liable for the alternative minimum tax, securities traders electing to account for their investment in their shares or ADSs on a mark-to-market basis, entities that are treated for U.S. federal income tax purposes as partnerships or other pass-through entities or equity holders therein and persons holding their shares or ADSs in a hedging transaction or as part of a straddle or conversion transaction.

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

a citizen or resident of the United States of America,

a corporation (or other entity taxable as a corporation) organized under the laws of the United States of America or any state thereof, or

otherwise subject to U.S. federal income taxation on a net income basis with respect to the shares or ADSs.

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

Treatment of ADSs

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

Taxation of Distributions

In general, a U.S. holder will treat the gross amount of distributions we pay, without reduction for Mexican withholding tax, as dividend income for U.S. federal income tax purposes to the extent of our current and accumulated earnings and profits. Because we do not expect to maintain calculations of our earnings and profits

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

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

Subject to certain exceptions for short-term and hedged positions, the U.S. dollar amount of dividends received by an individual with respect to the shares or ADSs will be subject to taxation at reduced rates if the dividends are qualified dividends. Dividends paid on the shares or ADSs will be treated as qualified dividends if (i) (A) the shares or ADSs are readily tradable on an established securities market in the United States or (B) we are eligible for the benefits of a comprehensive tax treaty with the United States which the U.S. Treasury determines is satisfactory for purposes of this provision and which includes an exchange of information program, and (ii) we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company (PFIC). The ADSs are listed on the NYSE and the NASDAQ, and will qualify as readily tradable on an established securities market in the United States so long as they are so listed. In addition, the U.S. Treasury has determined that the Tax Treaty meets the requirements for reduced rates of taxation, and we believe we are eligible for the benefits of the Tax Treaty. Based on our audited consolidated financial statements and relevant market and shareholder data, we believe that we were not treated as a PFIC for U.S. federal income tax purposes with respect to the 2014 or 2015 taxable year. In addition, based on our audited consolidated financial statements and our current expectations regarding the value and nature of our assets, the sources and nature of our income and relevant market and shareholder data, we do not anticipate becoming a PFIC for our 2016 taxable year. Holders of shares or ADSs should consult their own tax advisors regarding the availability of the reduced dividend tax rate in the light of their own particular circumstances.

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

Taxation of Dispositions

A U.S. holder generally will recognize capital gain or loss on the sale or other disposition of the shares or ADSs in an amount equal to the difference between the U.S. holder's basis in such shares or ADSs (in U.S. dollars) and the amount

realized on the disposition (in U.S. dollars, determined at the spot rate on the date of disposition if the amount realized is denominated in a foreign currency). Gain or loss recognized by a U.S. holder on such sale or other disposition generally will be long-term capital gain or loss if, at the time of disposition, the shares or ADSs

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have been held for more than one year. Long-term capital gain recognized by a U.S. holder that is an individual is taxable at reduced rates. The deductibility of a capital loss is subject to limitations.

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

Information Reporting and Backup Withholding

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

establishes that it is an exempt recipient, if required, or

provides an accurate taxpayer identification number on a properly completed Internal Revenue Service Form W-9 and certifies that no loss of exemption from backup withholding has occurred.

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

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

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

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

such gain is effectively connected with the conduct by the holder of a U.S. trade or business, or

in the case of gain realized by an individual holder, the holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

Information Reporting and Backup Withholding. Although non-U.S. holders generally are exempt from backup withholding, a non-U.S. holder may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

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PART V: CORPORATE GOVERNANCE

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Our Board of Directors has broad authority to manage our company. Our bylaws provide for the Board of Directors to consist of between five and twenty-one directors and allow for the election of an equal number of alternate directors. Directors need not be shareholders. A majority of our directors and a majority of the alternate directors must be Mexican citizens and elected by Mexican shareholders. A majority of the holders of the AA Shares and A Shares voting together elect a majority of the directors and alternate directors, provided that any holder or group of holders of at least 10.0% of the total AA Shares and A Shares is entitled to name one director and one alternate director. Two directors and two alternate directors, if any, are elected by a majority vote of the holders of L Shares. Each alternate director may attend meetings of the Board of Directors and vote in the absence of the corresponding director. Directors and alternate directors are elected or reelected at each annual general meeting of shareholders and each annual ordinary special meeting of holders of L Shares, and each serves until a successor is elected and takes office. In accordance with the Mexican Securities Market Law (Ley del Mercado de Valores), the determination as to the independence of our directors is made by our shareholders, though the CNBV may challenge this determination. Pursuant to our bylaws and the Mexican Securities Market Law, at least 25.0% of our directors must be independent. In order to have a quorum for a meeting of the Board of Directors, a majority of those present must be Mexican nationals.

All of the current members of the Board of Directors, the Executive Committee and the Audit and Corporate Practices Committee were reelected, and the Corporate Secretary and the Corporate Pro-Secretary were reappointed, at the annual general shareholders meeting held on April 18, 2016, with fourteen directors elected by the AA Shares and A Shares voting together and two directors elected by the L Shares. The only alternate director was also reelected.

Our bylaws provide that the members of the Board of Directors are elected for a term of one year. Pursuant to Mexican law, members of the Board continue in their positions after the expiration of their terms for up to an additional thirty-day period if new members are not elected. Furthermore, in certain circumstances provided under the Mexican Securities Law, the Board of Directors may elect temporary directors who then may be elected or replaced at the shareholders meetings. The names and positions of the members of the Board reelected at the annual general shareholders meeting held on April 18, 2016, their year of birth, and information concerning their committee membership and principal business activities outside América Móvil are set forth below:

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

Carlos Slim Domit	Born:	1967
Chairman of the Board and the Executive Committee	First elected:	2011
	Term expires:	2017

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Principal occupation: Chairman of the Board of Telmex
Other directorships: Chairman of the Board of Grupo Carso, Grupo Sanborns, S.A.B. de C.V. (Grupo Sanborns) and U.S. Commercial Corp, S.A. de C.V.
Business experience: Chief Executive Officer of Sanborn Hermanos, S.A. de C.V. (Sanborn Hermanos)

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Patrick Slim Domit	Born:	1969
Vice Chairman and Member of the Executive Committee	First elected:	2004
	Term expires:	2017
	Principal occupation:	Vice Chairman of our Board of Directors
	Other directorships:	Director of Grupo Carso, Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V. (IDEAL) and Telmex
	Business experience:	Chief Executive Officer of Grupo Carso and Vice President of Commercial Markets of Telmex
Daniel Hajj Aboumrad	Born:	1966
Director and Member of the Executive Committee	First elected:	2000
	Term expires:	2017
	Principal occupation:	Chief Executive Officer of América Móvil
	Other directorships:	Director of Grupo Carso and Telmex
	Business experience:	Chief Executive Officer of Compañía Hulera Euzkadi, S.A. de C.V.
Carlos Slim Helú	Born:	1940
Director	First elected:	2015
	Term expires:	2017
	Principal occupation and Business experience:	Chairman of the Board of Minera Frisco, S.A.B. de C.V. and Carso Infraestructura y Construcción, S.A. de C.V.; Director of IDEAL, Grupo Sanborns and Inmuebles Carso, S.A.B. de C.V. (Inmuebles Carso)

Luis Alejandro Soberón Kuri	Born:	1960
Director	First elected:	2000
	Term expires:	2017
	Principal occupation:	Chief Executive Officer and Chairman of the Board of Servicios Corporativos CIE, S.A. de C.V. (a subsidiary of Corporación Interamericana de Entretenimiento, S.A. de C.V. (CIE))
	Other directorships:	Director of CIE; Director of Banco Nacional de México, S.A.
	Business experience:	Various positions at CIE

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Carlos Bremer Gutiérrez	Born:	1960
Director and Member of the Audit and Corporate Practices Committee	First elected:	2004
	Term expires:	2017
	Principal occupation:	Chief Executive Officer of Value Grupo Financiero, S.A.B. de C.V. and Value S.A. de C.V., Casa de Bolsa
	Other directorships:	Chairman of Value Grupo Financiero, S.A.B. de C.V.
	Business experience:	Chief Operating Officer of Abaco Casa de Bolsa, S.A. de C.V.
Juan Antonio Pérez Simón	Born:	1941
Director	First elected:	2012
	Term expires:	2017
	Principal occupation:	Chairman of the Board and Member of the Executive Committee of Sanborn Hermanos
	Other directorships:	Director of Grupo Carso, Grupo Financiero Inbursa, Sears and Elementia, S.A.
	Business experience:	Various positions at Grupo Carso
Ernesto Vega Velasco	Born:	1937
Director, Chairman of the Audit and Corporate Practices Committee	First elected:	2007
	Term expires:	2017
	Principal occupation:	Retired. Member of the board of directors and audit and corporate practices, planning and finance and evaluation and compensation committees of certain companies.

Other directorships: Director of Kuo, S.A.B. de C.V., Dine, S.A.B. de C.V., Inmuebles Carso, IDEAL; Alternate Director of Industrias Peñoles, S.A.B. de C.V.
 Business experience: Various positions in Desc Group, including Corporate Vice-President

Rafael Moisés Kalach Mizrahi

Born: 1946
 Director and Member of the Audit First elected: 2012
 and Corporate Practices Committee Term expires: 2017
 Principal occupation: Chairman and Chief Executive Officer of Grupo Kaltex, S.A. de C.V. (Grupo Kaltex)
 Other directorships: Director of Telmex, Grupo Carso and Sears Roebuck, S.A. de C.V.
 Business experience: Various positions in Grupo Kaltex

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Antonio Cosío Pando	Born:	1968
Director	First elected:	2015
	Term expires:	2017
	Principal occupation:	Vice President of Grupo Hotelero las Brisas, S.A. de C.V. (Grupo Brisas), Compañía Industrial Tepeji del Río, S.A. de C.V., and Bodegas de Santo Tomás, S.A. de C.V.
	Other directorships:	Director of Grupo Financiero Inbursa, Grupo Carso, Grupo Sanborns, Corporación Actinver S.A.B. de C.V., Corporación Moctezuma S.A.B. de C.V., certain subsidiaries of Kimberly Clark de México, S.A.B. de C.V. (Kimberly Clark de México); Alternate Director of Telmex
	Business experience:	Various positions in Grupo Brisas and Compañía Industrial Tepeji del Río, S.A. de C.V.
Arturo Elías Ayub	Born:	1966
Director	First elected:	2011
	Term expires:	2017
	Principal occupation:	Head of Strategic Alliances, Communications and Institutional Relations of Telmex; Chief Executive Officer of Fundación Telmex
	Other directorships:	Chairman of the Board of Publicidad y Contenido Editorial, S.A. de C.V.; Director of Grupo Sanborns, Grupo Carso, Sears and TM&MS LLC
	Business experience:	Chief Executive Officer of Sociedad Comercial Cadena, President of Pastelería Francesa (El Globo) and President of Club Universidad Nacional, A.C.
Oscar Von Hauske Solís	Born:	1957

Director	First elected:	2011
	Term expires:	2017
	Principal occupation:	Chief Fixed-line Operations Officer of América Móvil
	Other directorships:	Director of Telmex, Telmex Internacional, Claro Brasil; Member of Telekom Austria's Supervisory Board
	Business experience:	Chief Executive Officer of Telmex Internacional and Chief Systems and Telecommunications Operators Officer of Telmex
Louis C. Camilleri	Born:	1955
Director	First elected:	2011
	Term expires:	2017
	Principal occupation:	Chairman of Philip Morris International
	Other directorships:	Director of Ferrari N.V.
	Business experience:	Chairman and Chief Executive Officer of Altria and various positions in Philip Morris International

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Directors elected by holders of Series L Shares:

Pablo Roberto González Guajardo	Born:	1967
Director and Member of the Audit and Corporate Practices Committee	First elected:	2007
	Term expires:	2017
	Principal occupation:	Chief Executive Officer of Kimberly Clark de México
	Other directorships:	Director of Kimberly Clark de México, GE International México, S. de R. L. de C. V., Sistema Integral de Abasto Rural, S.A.P.I de C.V., Grupo Sanborns, and Grupo Lala, S.A.B. de C.V.
	Business experience:	Various positions in the Kimberly Clark Corporation and Kimberly Clark de México
David Ibarra Muñoz	Born:	1930
Director	First elected:	2000
	Term expires:	2017
	Principal occupation:	Retired
	Other directorships:	Director of Grupo Financiero Inbursa, IDEAL, and Grupo Carso
	Business experience:	Chief Executive Officer of Nacional Financiera, S.N.C., served in the Mexican Ministry of Finance and Public Credit (Secretaría de Hacienda y Crédito Público)

The annual ordinary general shareholders meeting held on April 18, 2016, determined that the following directors are independent: Messrs. Ernesto Vega Velasco, Carlos Bremer Gutiérrez, Pablo Roberto González Guajardo, David Ibarra Muñoz, Antonio Cosío Pando, Louis C. Camilleri and Rafael Moisés Kalach Mizrahi.

María José Pérez Simón Carrera serves as alternate director for Juan Antonio Pérez Simón and was reelected for a one-year term at the annual ordinary general shareholders meeting held on April 18, 2016.

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

Daniel Hajj Aboumrad and Arturo Elías Ayub are sons-in-law of Carlos Slim Helú and brothers-in-law of Patrick Slim Domit and Carlos Slim Domit. Patrick Slim Domit and Carlos Slim Domit are sons of Carlos Slim Helú. María José Pérez Simón Carrera is the daughter of Juan Antonio Pérez Simón.

EXECUTIVE COMMITTEE

Our bylaws provide that the Executive Committee may generally exercise the powers of the Board of Directors, with certain exceptions. In addition, the Board of Directors is required to consult the Executive Committee before deciding on certain matters set forth in the bylaws, and the Executive Committee must provide its views within ten calendar days following a request from the Board of Directors, the Chief Executive Officer or the Chairman of the

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Board of Directors. If the Executive Committee is unable to make a recommendation within ten calendar days, or if a majority of the Board of Directors or any other corporate body duly acting within its mandate determines in good faith that action cannot be deferred until the Executive Committee makes a recommendation, the Board of Directors is authorized to act without such recommendation. The Executive Committee may not delegate its powers to special delegates or attorneys-in-fact.

The Executive Committee is elected from among the directors and alternate directors by a majority vote of the holders of common shares (AA Shares and A Shares). The Executive Committee currently has three members. The majority of its members must be Mexican citizens and elected by Mexican shareholders. Three members of the Executive Committee were appointed by our Mexican controlling shareholders. See [Major Shareholders](#) under Part IV. The current members of the Executive Committee are Messrs. Carlos Slim Domit, Patrick Slim Domit and Daniel Hajj Aboumrad, appointed by the Mexican controlling shareholders.

AUDIT AND CORPORATE PRACTICES COMMITTEE

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

provide opinions to the Board of Directors on certain matters as provided by the Mexican Securities Market Law;

call shareholders meetings and recommend inclusion of matters it deems appropriate on the agenda;

inform the Board of Directors of our internal controls and their adequacy;

select our auditors, review and pre-approve the scope and terms of their engagement, and determine their compensation;

monitor the performance of our auditors and re-evaluate the terms of their engagement;

recommend procedures for preparing financial statements and internal controls;

monitor internal controls and accounting for specified types of matters;

propose procedures for the preparation of financial statements for internal use that are consistent with the published financial statements;

assist the Board of Directors in preparing reports as provided by the Mexican Securities Market Law;

discuss with our auditors the annual financial statements and the accounting principles being applied in the annual and the interim financial statements and, based on such discussions, recommend their approval to the Board of Directors;

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Corporate Governance

resolve disagreements between our management and auditors relating to our financial statements;

request the opinion of independent experts, when deemed appropriate or when required by law;

approve services to be provided by our auditors or establish policies and procedures for the pre-approval of services by our auditors;

obtain from our auditors a report that includes a discussion of critical accounting policies used by us, any alternative accounting treatments for material items that have been discussed by management with our auditor, and any other written communications between our auditors and management;

report to the Board of Directors on its activities;

develop procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, including for the confidential submission of concerns regarding such matters by employees;

evaluate the performance of the external auditors;

review and discuss our financial statements and advise the Board of Directors of the committee's recommendations for approval of such financial statements;

receive and analyze recommendations and observations to its functions from shareholders, members of the Board of Directors and senior management, and the authority to act upon such recommendations and observations;

recommend to the Board of Directors procedures for the selection and succession of our Chief Executive Officer and our other principal executives;

propose criteria for evaluating executive performance;

analyze the proposals of the Chief Executive Officer concerning the structure and amount of compensation for our senior executives and raise them with the Board of Directors;

review new executive compensation programs and the operations of existing programs;

establish contracting practices to avoid excessive payments to executives;

assist the Board of Directors in developing appropriate personnel policies;

participate with the Board of Directors in developing a plan for employees to invest in our L Shares and review the implementation of such plan; and

perform any other functions the Board of Directors may delegate to the Audit and Corporate Practices Committee.

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

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

SENIOR MANAGEMENT

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

Daniel Hajj Aboumrad	Appointed:	2000
Chief Executive Officer	Business experience:	Director of Telmex; Chief Executive Officer of Compañía Hulera Euzkadi, S.A. de C.V.
Carlos José García	Appointed:	2001
Moreno Elizondo	Business experience:	General Director of Public Credit at the Secretaría de Hacienda y Crédito Público; Managing Director of UBS Warburg; Associate Director of Financing at Petróleos Mexicanos (Pemex); Member of Telekom Austria's Supervisory Board; Member of KPN Supervisory Board
Chief Financial Officer		
Alejandro Cantú Jiménez	Appointed:	2001
General Counsel	Business experience:	Member of Telekom Austria's Supervisory Board; Attorney at Mijares, Angoitia, Cortés y Fuentes, S.C.
Oscar Von Hauske Solís	Appointed:	2010

Chief Fixed-line Operations Officer	Business experience:	Chief Executive Officer of Telmex Internacional; Chief Systems and Telecommunications Officer of Telmex; Head of Finance at Grupo Condumex, S.A. de C.V.; Director of Telmex, Telmex Internacional, Empresa Brasileira de Telecomunicações S.A. (Embratel), and Net Serviços de Comunicação S.A. (Net Serviços); Member of Telekom Austria's Supervisory Board
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Angel Alija Guerrero	Appointed:	2012
Chief Wireless Operations Officer	Business experience:	Various positions in América Móvil

AUDIT COMMITTEE FINANCIAL EXPERT

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

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MANAGEMENT COMPENSATION

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate compensation paid to our directors (including compensation paid to members of our Audit and Corporate Practices Committee) and senior management in 2015 was approximately Ps.4.3 million and Ps.60.5 million, respectively. None of our directors is a party to any contract with us or any of our subsidiaries that provides for benefits upon termination of employment. We do not provide pension, retirement or similar benefits to our directors in their capacity as directors. Our executive officers are eligible for retirement and severance benefits required by Mexican law on the same terms as all other employees, and we do not separately set aside, accrue or determine the amount of our costs that is attributable to executive officers.

SHARE OWNERSHIP OF DIRECTORS AND SENIOR MANAGEMENT

Carlos Slim Domit, Chairman of our Board of Directors, holds 647 million (or 2.8%) of our AA Shares and 1,567 million (or 3.7%) of our L Shares directly. Patrick Slim Domit, Vice Chairman of our Board of Directors, holds 323 million (or 1.4%) of our AA Shares and 859 million (or 2.0%) of our L Shares directly. Carlos Slim Helú, member of our Board of Directors, holds 1,879 (or 8.2%) of our AA Shares and 3,072 million (or 7.2%) of our L shares directly. In addition, according to beneficial ownership reports filed with the SEC, Patrick Slim Domit and Carlos Slim Domit are beneficiaries of a trust that owns shares of the Company. See **Major Shareholders** under Part IV and **Bylaws Share Capital** under Part IV.

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

Table of Contents*Corporate Governance***CORPORATE GOVERNANCE**

Our corporate governance practices are governed by our bylaws, the Mexican Securities Market Law and the regulations issued by the CNBV. We also comply with the Mexican Code of Best Corporate Practices (*Código de Mejores Prácticas Corporativas*), which was created in January 2001 by a group of Mexican business leaders and was endorsed by both the CNBV and the Mexican Stock Exchange.

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

NYSE Standards	NASDAQ Standards	Our Corporate Governance Practices
<p><i>Director Independence.</i> Majority of board of directors must be independent. §303A.01. Controlled companies are exempt from this requirement. A controlled company is one in which more than 50% of the voting power is held by an individual, group or another company, rather than the public. §303A.00.</p> <p>As a controlled company, we would be exempt from this requirement if we were a U.S. issuer.</p> <p><i>Executive Sessions.</i> Non-management directors must meet at regularly scheduled executive sessions without management. Independent directors should meet alone in an executive</p>	<p><i>Director Independence.</i> Majority of board of directors must be independent and directors deemed independent must be identified in a listed company's proxy statement (or annual report on Form 10-K or 20-F if the issuer does not file a proxy statement). Controlled companies are exempt from this requirement. A controlled company is one in which more than 50% of the voting power for the election of directors is held by an individual, group or another company, rather than the public. Rules 5605(b)(1), 5615(c)(1) and (c)(2).</p> <p>As a controlled company, we would be exempt from this requirement if we were a U.S. issuer.</p> <p><i>Executive Sessions.</i> Independent directors must have regularly scheduled executive sessions at which only independent directors are present. Rule 5605(b)(2).</p>	<p><i>Director Independence.</i> Pursuant to the Mexican Securities Market Law, our shareholders are required to appoint a board of directors of no more than 21 members, 25% of whom must be independent. Certain persons are per se non-independent, including insiders, control persons, major suppliers and any relatives of such persons. In accordance with the Mexican Securities Market Law, our shareholders' meeting is required to make a determination as to the independence of our directors, though such determination may be challenged by the CNBV.</p> <p>There is no exemption from the independence requirement for controlled companies.</p> <p><i>Executive Sessions.</i> Our non-management directors have not held executive sessions without management in the past, and they are not required to do so.</p>

session at least once a year.
§303A.03.

Nominating/Corporate

Governance Committee.

Nominating/corporate governance committee composed entirely of independent directors is required. The committee must

Nominating Committee.

Director nominees must be selected, or recommended for the board's selection, either by a nominating committee comprised solely of

Nominating Committee.

We currently do not have a nominating committee or a corporate governance committee. We are not required to have a nominating committee. However, Mexican law requires us to

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Corporate Governance

NYSE Standards

have a charter specifying the purpose, duties and evaluation procedures of the committee. §303A.04.

Controlled companies are exempt from these requirements. §303A.00.

As a controlled company, we would be exempt from this requirement if we were a U.S. issuer.

Compensation Committee.

Compensation committee composed entirely of independent directors is required, which must evaluate and approve executive officer compensation. The committee must have a charter specifying the purpose, duties and evaluation procedures of the committee. §303A.02(a)(ii) and §303A.05.

Controlled companies are exempt from this requirement. §303A.00.

As a controlled company, we would be exempt from this requirement if we were a U.S. issuer.

NASDAQ Standards

independent directors or by a majority of independent directors. Each listed company also must certify that it has adopted a formal charter or board resolution addressing the nominations process. Controlled companies are exempt from this requirement. Rules 5605(e) and 5615(c)(2).

As a controlled company, we would be exempt from this requirement if we were a U.S. issuer.

Compensation Committee.

Compensation committee consisting of at least two members, each of whom is an independent director. The committee must have a charter specifying the scope of its responsibilities, its method for determining or recommending to the Board for determination the compensation of the CEO and all other executive officers, and that the CEO may not be present during voting or deliberations.

Controlled companies are exempt from this requirement. Rules 5605(a)(2), 5605(d) and 5615(c)(2).

As a controlled company, we would be exempt from this requirement if we were a U.S.

Our Corporate Governance Practices

have one or more committees that oversee certain corporate practices, including appointment of directors and executives. Under the Mexican Securities Market Law, committees overseeing certain corporate practices must be composed of independent directors. However, in the case of controlled companies, such as ours, only a majority of the committee members must be independent.

Under the Mexican Securities Market Law, certain corporate governance functions must be delegated to one or more committees. Under our bylaws, the Audit and Corporate Practices Committee performs our corporate governance functions. See Management under Part V.

Compensation Committee.

We currently do not have a compensation committee. We are not required to have a compensation committee since our Audit and Corporate Practices Committee, which is comprised solely of independent directors, evaluates and approves management's (including our CEO) and directors compensation.

issuer.

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Corporate Governance

NYSE Standards

Audit Committee.

Audit committee satisfying the independence and other requirements of Rule 10A-3 under the Exchange Act and the more stringent requirements under the NYSE standards is required. §§303A.06, 303A.07.

NASDAQ Standards

Audit Committee.

Audit committee satisfying the independence and other requirements of Rule 10A-3 under the Exchange Act and the more stringent requirements under the NASDAQ standards is required. Rule 5605(c).

Our Corporate Governance Practices

Audit Committee.

We have an audit and corporate practices committee of four members. Each member of the audit and corporate practices committee is independent, as independence is defined under the Mexican Securities Market Law, and also meets the independence requirements of Rule 10A-3 under the U.S. Securities Exchange Act of 1934, as amended. Our audit and corporate practices committee operates primarily pursuant to (1) a written charter adopted by our board of directors, which assigns to the committee responsibility over those matters required by Rule 10A-3 (2) our bylaws and (3) Mexican law. For a more detailed description of the duties of our audit and corporate practices committee, see Management under Part V.

Equity Compensation Plans.

Equity compensation plans and all material revisions thereto require shareholder approval, subject to limited exemptions. §§303A.08 and 312.03.

Equity Compensation Plans.

Equity compensation plans or material amendments thereto require shareholder approval, subject to limited exemptions. Rule 5635(c).

Equity Compensation Plans.

Shareholder approval is expressly required under Mexican law for the adoption and amendment of an equity compensation plan. Such plans must provide for similar treatment of executives in comparable positions.

Shareholder Approval for

Issuance of Securities.

Issuances of securities (1) that will result in a change of control of the issuer, (2) that are to a related party or someone closely related to a related party, (3) that have voting power equal to at least 20% of the outstanding common stock voting power before such issuance or (4) that will increase the number of shares of common stock by at least

Shareholder Approval for Issuance of Securities.

Issuances of securities (1) that will result in a change of control of the issuer, (2) in connection with certain acquisitions of the stock or assets of another company or (3) in connection with certain transactions other than public offerings require shareholder approval. Rules 5635(a), (b) and (d).

Shareholder Approval for Issuance of Securities.

Mexican law requires us to obtain shareholder approval of the issuance of equity securities. Under certain circumstances, however, treasury stock may be sold by the board of directors without shareholder approval.

20% of the number of outstanding shares before such issuance require shareholder approval.
§§312.03(b)-(d).

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NYSE Standards

Code of Business Conduct and

Ethics.

Corporate governance guidelines and a code of business conduct and ethics is required, with disclosure of any waiver for directors or executive officers. The code must contain compliance standards and procedures that will facilitate the effective operation of the code. §303A.10.

Conflicts of Interest.

Determination of how to review and oversee related party transactions is left to the listed company. The audit committee or comparable body, however, could be considered the forum for such review and oversight. §314.00. Certain issuances of common stock to a related party require shareholder approval. §312.03(b).

Solicitation of Proxies.

Solicitation of proxies and provision of proxy materials is required for all meetings of shareholders. Copies of such proxy solicitations are to be provided to NYSE. §§402.01 and 402.04.

NASDAQ Standards

Code of Business Conduct and Ethics.

Corporate governance guidelines and a code of business conduct and ethics is required, with disclosure of any waiver and the reasons for such waiver for directors or executive officers. The code must include an enforcement mechanism. Rule 5610.

Conflicts of Interest.

Appropriate review of all related party transactions for potential conflict of interest situations and approval by an audit committee or another independent body of the board of directors of such transactions is required. Rule 5630.

Solicitation of Proxies.

Solicitation of proxies and provision of proxy materials is required for all meetings of shareholders. Copies of such proxy solicitations are to be provided to NASDAQ. Rule 5620(b).

Our Corporate Governance Practices

Code of Business Conduct and Ethics.

We have adopted a code of ethics, which has been accepted by all of our directors and executive officers and other personnel.

Conflicts of Interest.

In accordance with Mexican law, an independent audit committee must provide an opinion to the board of directors regarding any transaction with a related party that is outside of the ordinary course of business, which must be approved by the board of directors. Pursuant to the Mexican Securities Market Law, our board of directors may establish certain guidelines regarding related party transactions that do not require specific board approval.

Solicitation of Proxies.

We are not required to solicit proxies from our shareholders. In accordance with Mexican law and our bylaws, we inform shareholders of all meetings by public notice, which states the requirements for admission to the meeting. Under the deposit agreement relating to our ADSs, holders of our ADSs receive notices of shareholders meetings and, where applicable, instructions on how to instruct the depositary to vote at the meeting. Under the deposit agreement relating to our ADS, we may direct the voting of any ADS as to which no voting instructions are received by the depositary, except with respect to any matter where substantial opposition exists or that

materially and adversely affects the rights of holders.

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Corporate Governance

NYSE Standards

NASDAQ Standards

Our Corporate Governance Practices

Auditor Registration.

A listed company must be audited by an independent public accountant that is registered as a public accounting firm with the Public Company Accounting Oversight Board. Rule 5250(c)(3).

Auditor Registration.

Under Mexican law, we must be audited by an independent public accountant that has received a quality control review as defined by the CNBV.

Mancera, a member practice of Ernst & Young Global Limited, a public registered firm, our independent auditor, is registered as a public accounting firm with the Public Company Accounting Oversight Board.

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Corporate Governance

CONTROLS AND PROCEDURES

(a) Disclosure controls and procedures. We carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of December 31, 2015. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

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

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

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

Based on our evaluation under the framework in Internal Control – Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2015.

Mancera, S.C. (Mancera), a member practice of Ernst & Young Global Limited, an independent registered public accounting firm, our independent auditor, issued an attestation report on our internal control over financial reporting on April 18, 2016.

(c) *Attestation Report of the registered public accounting firm.*

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Corporate Governance

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

We have audited América Móvil, S.A.B. de C.V. and subsidiaries' internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the 2013 Framework) (the COSO criteria). América Móvil, S.A.B. de C.V. and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

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

In our opinion, América Móvil, S.A.B. de C.V. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

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We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of América Móvil, S.A.B. de C.V. and subsidiaries as of December 31, 2014 and 2015, and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2015, and our report dated April 18, 2016, expressed an unqualified opinion thereon.

Mancera, S.C.

A member practice of

Ernst & Young Global Limited

/s/ Carlos Carrillo Contreras
Carlos Carrillo Contreras

Mexico City, Mexico

April 18, 2016

(d) *Changes in internal control over financial reporting.* There has been no change in our internal control over financial reporting during 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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Corporate Governance

CODE OF ETHICS

We have adopted a code of ethics, as defined in Item 16B of Form 20-F under the Exchange Act. Our code of ethics applies to, among others, our Chief Executive Officer, Chief Financial Officer and Comptroller, and persons performing similar functions. Our code of ethics is available on our web site at www.americamovil.com. If we amend any provisions of our code of ethics that apply to our Chief Executive Officer, Chief Financial Officer, Comptroller and persons performing similar functions, or if we grant any waiver of such provisions, we will disclose such amendment or waiver on our web site at the same address.

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PART VI:

Table of Contents*Regulation***REGULATION****MEXICO****Legal Framework**

Over the last three years, Mexico has developed a new legal framework for the regulation of telecommunications and broadcasting services. This legal framework is based on constitutional amendments passed in June 2013 and implementing legislation enacted in July 2014, which established the Federal Law on Telecommunications and Broadcasting (*Ley Federal de Telecomunicaciones y Radiodifusión*) and the Law for the Public Broadcasting System of the Mexican State (*Ley del Sistema Público de Radiodifusión del Estado Mexicano*) to replace the prior statutory framework. The prior General Communications Law (*Ley de Vías Generales de Comunicación*) and regulations adopted thereunder remain effective under the new legal framework, except where they conflict with the new legal framework or where they have been superseded by subsequent regulation.

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

The 2013 constitutional amendments authorize the IFT to impose on a preponderant economic agent a special regulatory regime, as supplemented by the 2014 implementing legislation. The special regime is referred to as asymmetric regulation, because it applies to one market participant and not to the others. Pursuant to the IFT's determination that we are part of a group constituting a preponderant economic agent, we are subject to extensive asymmetric regulations in our Mexican fixed-line and wireless businesses. See Asymmetric Regulation of the Preponderant Economic Agent under this Part VI.

We have filed judicial proceedings to challenge the determination that we are a preponderant economic agent and the related measures imposed under the legal framework, but the 2013 constitutional amendments do not provide for interim relief from the regulations pending judicial consideration of our challenges. See Note 21 to our audited consolidated financial statements included in this annual report.

This legal framework has had a substantial impact on our business and operations in Mexico. The long-term effects will depend on further regulations and other actions by the IFT, how we and our competitors adapt, how customers behave in response and how the telecommunications and media markets develop.

Principal Regulatory Authorities

The IFT is an autonomous authority that regulates telecommunications and broadcasting. It is headed by seven commissioners appointed by the President, and ratified by the Senate, from among candidates nominated by an

evaluation committee.

The IFT has authority over the application of legislation specific to telecommunications and broadcasting, and also over competition legislation as it applies to those sectors. While most of the powers previously exercised by the Mexican Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes*) were transferred to the IFT, there are a few specific public policy matters over which it retains authority.

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Regulation

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

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

Asymmetric Regulation of the Preponderant Economic Agent

Based on the IFT's determination that we, our Mexican operating subsidiaries (Telmex, Telnor and Telcel) and certain affiliates constitute a preponderant economic agent in the telecommunications sector, we are subject to extensive specific asymmetric measures. We summarize what we believe are the most important measures below.

Interconnection. The 2014 legislation eliminated termination rates for the preponderant economic agent as of August 13, 2014, such that Telcel, Telmex and Telnor may not charge other operators for the termination services they provide in their networks, while continuing to pay such operators for their interconnection services.

Sharing of Infrastructure and Services. We must provide other carriers access to (i) passive infrastructure, including towers, sites, ducts and rights of way; (ii) elements of our network that allow other carriers and MVNOs to offer those services we provide to our fixed-line and mobile customers; (iii) our dedicated circuits and (iv) domestic roaming services, in each case, pursuant to IFT pre-approved reference terms (*ofertas públicas de referencia*). We negotiate access rates with other carriers and, if we cannot reach agreement, rates may be determined by the IFT using, as applicable, a long-run average incremental costs methodology or a retail minus methodology.

Local Loop Unbundling. We must offer other operators access to elements of our local network separately. In December 2015, the IFT notified Telmex of a resolution authorizing the modified terms and conditions of Telmex's proposed Reference Terms for Local Loop Unbundling (*Oferta de Desagregación Efectiva de la Red Local*). Telmex has challenged this resolution and a decision is pending.

Elimination of Customer's Domestic Roaming Fees. As of April 2014, we may no longer charge our customers roaming fees within Mexico.

Certain Obligations on the Provision of Retail Services. Certain rates for the provision of telecommunications services to our customers are subject to the IFT's prior authorization, in the case of fixed-line and wireless services, and to rate controls, in the case of fixed-line services only, using

methodologies related to maximum prices and replicability tests that are currently under analysis by us and the IFT. We are also subject to various obligations relating to the sale of services and products, including the obligation to offer individually all services that we previously offered under a bundle scheme, the limitations on exclusivity and the obligation to unlock handsets and tablets.

Content. We are subject to specific limitations on acquisitions of exclusive transmission rights to relevant content (*contenidos audiovisuales relevantes*), as determined from time to time by the IFT, including but not limited to the national soccer play-offs (*liguilla*), the FIFA world cup soccer finals and any other event where large audiences are expected at a national or regional level.

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Reporting of Service Obligations. We are subject to obligations related to reporting of service, including the publication of reference terms for wholesale and interconnection services that are subject to asymmetric regulation.

The measures expressly provide that they are transitory and may be terminated if the IFT declares that effective competition conditions exist in the telecommunications sector or if we cease to be considered a preponderant economic agent. Our status as a preponderant economic agent is reviewed for this purpose every two years. As a result of such review, the IFT may modify or eliminate measures or set forth new measures, including the structural or functional separation or divestiture of assets of the preponderant economic agent. During 2016, the IFT is expected to review our preponderant economic agent status.

Concessions

Under Mexico's legal framework, an operator of public telecommunications networks, such as Telcel or Telmex, must operate under a concession. The IFT is the government authority that grants concessions, which may only be granted to a Mexican citizen or corporation and may not be transferred or assigned without the approval of the IFT. There are two types of concessions:

Network concessions. Telcel, Telmex and its subsidiary Telnor hold network concessions, granted under the previous regulatory framework, to provide specified types of services. Their ability to migrate to the new regime of unified concessions and, consequently, to provide any and all telecommunications and broadcasting services, is subject to conditions, as described under *Migration of Concessions* below.

Spectrum concessions. Telcel holds multiple concessions, granted under the previous regulatory framework, to provide wireless services that utilize frequencies of radio-electric spectrum. These concessions have terms of 15 to 20 years and may be extended for an additional term.

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

Termination of Concessions

Mexican legislation provides that under certain circumstances, some assets of a concessionaire may be acquired by the federal government upon termination of the concession. There is no specific guidance or precedent for applying these provisions, so the scope of assets covered, the compensation to the concessionaire and the procedures to be followed would depend on the type of concession, the type of assets and the interpretation of applicable legislation by the competent authorities at the time.

Migration of Concessions and Additional Services

The new legislative framework established the unified concession (*concesión única*), which allows the holder to provide all types of telecommunications and broadcasting services, and a regime under which an existing concession can be migrated to the new unified concession at the end of its term or upon request by the concession holder. A unified concession has a term of up to 30 years, extendable for up to an equal term. Also, under this new framework a current concession may be modified to add services not previously contemplated therein.

However, as a result of our preponderant economic agent status, we are subject to additional conditions for the migration to a unified concession or the addition of a service, such as Pay TV, to a current concession, including: (i) payment of any new concession fee to be determined by the IFT, (ii) compliance with current requirements under the network concession, the 2013 constitutional amendments, the 2014 legislation and any additional measures

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imposed by the IFT on the preponderant economic agent and (iii) such other requirements, terms and conditions as the IFT may establish in the concession itself. We expect the process of migration or additional services to be lengthy and complex. Consequently, we may not be able to provide additional services, such as broadcasting, in the near term.

Telcel's Concessions

Telcel operates under several different network and spectrum concessions covering particular frequencies and regions, holding an average of 72.8 MHz of capacity in Mexico's nine regions in the 850 MHz, 1900 MHz and 1.7/2.1 GHz spectrum. The following tables summarize Telcel's concessions.

Frequency	Region in Mexico	Initial Date	Termination Date	Fee Structure
Band A (1900 MHz)	Nationwide	Sept. 1999	Sept. 2019	Upfront
Band B (850 MHz)	Regions 1, 2, 3	Aug. 2011	Aug. 2026	Annual
Band B (850 MHz)	Regions 4, 8	Aug. 2010	Aug. 2025	Annual
Band B (850 MHz)	Regions 5, 6, 7	Oct. 2011	Oct. 2026	Annual
Band B (850 MHz)	Region 9	Oct. 2015	Oct. 2030	Upfront
Band D (1900MHz)	Nationwide	Oct. 1998	Oct. 2018	Upfront
Band F (1900 MHz)	Nationwide	Apr. 2005	Apr. 2025	Annual
Bands B2, C, D (1.7/2.1 GHz)	B2: All AWS Regions; Band C: Nationwide; Band D: Regions 1, 5, 8	Oct. 2010	Oct. 2030	Annual

In February 2016, the IFT announced that Telcel had won in a recent spectrum auction a total of 20 MHz nationwide in the AWS-1 band and 40 MHz nationwide in the AWS-3 band, which will each expire in October 2030. We expect these new concessions to be granted to Telcel during the second quarter of 2016.

Renewal

The Band B concessions covering eight regions outside the Mexico City area were renewed in 2010 and 2011, with certain additional conditions imposed on Telcel. All of these concessions provide for a renewal for additional 15-year terms.

In October 2015, Telcel obtained the renewal of the Band B concession covering the Mexico City area (Region 9) that will now expire in October 2030.

Concession Fees

In addition to the upfront payment applicable to all of the 1900 MHz (A, D and F Bands) concessions, all 1.7/2.1 GHz (B2, C and D Bands) concessions and 850 MHz concessions (Regions 1 to 8), owners of concessions granted or renewed on or after January 1, 2003 are also required to pay annual fees (*derechos*) for the use and exploitation of radio spectrum bands. The amounts payable are set forth by the annual Federal Fees Law (*Ley Federal de Derechos*) and vary depending on the relevant region and radio spectrum band. Currently, Telcel is not required to pay these fees for its Bands A and D 1900 MHz concessions since they were awarded prior to 2003, but it is required to pay them for additional 10 MHz of capacity in the 1900 MHz spectrum (Band F) acquired in 2005.

Service Quality Requirements

The concessions set forth requirements for the quality and continuity of Telcel's services, including, in some cases, maximum rates of incomplete and dropped calls and connection time. Additionally, we are subject to the Quality of

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Local Wireless Services (*Plan Técnico Fundamental de Calidad del Servicio Local Móvil*, or the 2011 Technical Plan), which imposes extensive additional service quality requirements for voice, SMS and internet services and fines for non-compliance with voice-quality requirements. Telcel has been notified of a number of proceedings seeking to impose penalties on the basis of alleged non-compliance with service quality requirements. See Note 21 to our audited consolidated financial statements included in this annual report.

Telmex's Concessions

Telmex's concession was granted in 1976 and amended in August 1990. Currently set to expire in 2026, Telmex's concession may be extended for an additional 15-year term subject to additional requirements or fees that the IFT may impose. We submitted a request for the maximum allowable renewable period in March 2016. Telmex's subsidiary, Telnor, holds a separate concession in a region located in two states in northwestern Mexico that will expire in 2026 and may be extended for an additional 15-year term thereafter. The material terms of the Telnor concession are similar to those of the Telmex concession.

In addition, Telmex currently holds concessions for the use of frequencies to provide wireless local access and point-to-point and point-to-multipoint transmission. Telmex obtained these concessions from the Federal Commission of Telecommunications (*Comisión Federal de Telecomunicaciones*, or Cofetel) through a competitive bidding process for a term of up to 20 years that may be extended for additional 20-year terms.

Wireless Rates

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

As a result of the preponderance determination, Telcel's retail prices are subject to pre-approval by the IFT before they can take effect. In addition, the 2014 legislation established that preponderant agents may not charge termination rates. Therefore, Telcel may not charge other operators for the termination services it provides, while it continues to pay for the termination services provided to it by other operators. See Asymmetric Regulation of the Preponderant Economic Agent under this Part VI.

The IFT is also authorized to impose specific rate requirements on any operator that is determined by the IFT to have substantial market power under the Federal Antitrust Law (*Ley Federal de Competencia Económica*) and the 2014 legislation. For more information on litigation related to the Federal Antitrust Law and the 2014 legislation, see Note 21 to our audited consolidated financial statements included in this annual report.

Fixed Rates

Telmex's concessions subject its rates for basic telephone services in any period, including installation, monthly rent, measured local-service and long-distance service, to a ceiling on the price of a basket of such services, weighted to

reflect the volume of each service provided by Telmex during the preceding period. Telmex is required to file a model with the IFT every four years with its projections of units of operation for basic services, costs and prices. Telmex is free to determine the structure of its own rates, with the exception of domestic long-distance rates, which were abolished under the 2014 legislation, and of the residential line rate, which has a cap based on the long run incremental cost. As a result of the preponderance determination, Telmex's retail prices are subject to pre-approval by the IFT before they can take effect.

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The price ceiling varies directly with the Mexican National Consumer Price Index (*Indice Nacional de Precios al Consumidor*), allowing Telmex to raise nominal rates to keep pace with inflation (minus a productivity factor set for the telecommunications industry), subject to consultation with the IFT. Telmex has not raised its nominal rates since March 2001, for local services, and since March 1999, for international long-distance services. Under Telmex's concession, the price ceiling is also adjusted downward periodically to pass on the benefits of Telmex's increased productivity to its customers. The IFT sets a periodic adjustment for every four-year period to permit Telmex to maintain an internal rate of return equal to its weighted average cost of capital. For services extending beyond basic telephone service, Telmex is free to set its rates.

As discussed above, under the 2014 legislation the preponderant agent may not charge interconnection rates. Therefore, Telmex may not charge other operators for the termination services it provides, while it continues to pay for the termination services provided to it by other operators.

BRAZIL**Legal Framework and Principal Regulatory Authorities**

The Brazilian Telecommunications Law (*Lei Geral das Telecomunicações Brasileiras*) provides a framework for telecommunications regulation. The primary telecommunications regulator in Brazil is the Telecommunications Agency (*Agência Nacional de Telecomunicações*, or *Anatel*), which has the authority to grant concessions and licenses for all telecommunications services, except broadcasting, and to adopt regulations that are legally binding on telecommunications services providers. Additionally, Claro Brasil is subject to regulation by the Brazilian National Cinema Agency (*Agência Nacional do Cinema*).

Licenses

In December 2014, we simplified our corporate structure, and our subsidiaries Embratel, Embratel Participações S.A. (Embrapar) and Net Serviços were merged into Claro Brasil. As a result, all licenses previously granted to Embratel and Net Serviços were transferred to Claro Brasil.

Our Brazilian subsidiaries hold licenses for the telecommunications services listed below:

Company	License	Termination Date
Claro Brasil	Fixed Local Voice Services	Indefinite
	Domestic and International Long Distance Voice Services	2025
	Personal Communication Services	Indefinite
	Data Services	

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	Cable TV Services	Indefinite
	Mobile Maritime Services	Indefinite
	Global Mobile Satellite Services	Indefinite
		Indefinite
Claro TV	DTH TV Services	Indefinite
	Data Services	Indefinite
Americel	Data Services	Indefinite
Star One	Data Services	Indefinite
	Satellite Exploitation	See table below
Primesys	Data Services	Indefinite
Telmex do Brasil	Data Services	Indefinite

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Our Brazilian subsidiary Star One has the following authorizations for satellite exploitation:

Type	Number	Orbital Position	Issue Date	Expiration Date (15 years)
Extension (renewal)	PVSS/SPV 007/2006	63°W, 65°W, 68°W, 70°W, 84°W and 92°W C Band	Jan. 2006	Jan. 2021
Orbital Position	PVSS/SPV 001/2003	65°W Ku Band	Feb. 2003	Feb. 2018
Orbital Position	PVSS/SPV 12/2007	92°W C and Ku Band	Nov. 2007	Nov. 2022
Orbital Position	PVSS/SPV 002/2003	70°W Ku Band	Oct. 2003	Oct. 2018
Orbital Position	PVSS/SPV 001/2007	75°W C and Ku Band	Feb. 2007	Feb. 2022
Orbital Position	PVSS/SPV 156/2012	70°W Ka and Ku (Planned) Band	Mar. 2012	Mar. 2027
Orbital Position	PVSS/SPV 076/2012	84°W Ka and Ku Band	Feb. 2012	Feb. 2027
Landing Rights	PVSS/SPV 002/2009	37.9°W C Band	May 2009	May 2019 ⁽¹⁾

(1) The C12 Satellite (AMC-12) expiration date corresponds to the end of its lifetime.

Claro Brasil holds licenses to provide services under the PCS regime in the 450 MHz, 700 MHz, 850 MHz, 900 MHz, 1800 MHz, 1900 MHz, 2100 MHz and 2500 MHz spectrum bands. Our subsidiaries expect to continue acquiring spectrum in the event Anatel conducts additional public auctions, although Claro Brasil, like many of its competitors, may be subject to a cap on the additional spectrum it may acquire.

Claro Brasil participated in the most recent auction for spectrum in December 2015. The final results from the auction have not been made public by Anatel as of the date of this report.

The following table sets forth the regions in Brazil in which our subsidiaries hold licenses to provide wireless services, as well as the termination dates of such licenses:

Frequency and Geographical Coverage

Termination Date

4G/2500 MHz:

Nationwide⁽¹⁾

Oct. 2027

4G/700 MHz: Nationwide

Dec. 2029

3G/1900-2100 MHz: Nationwide

Mar. 2023

GSM/1800 MHz:

Santa Catarina, Acre, Rondônia, Tocantins, Distrito Federal, Mato Grosso,
Mato Grosso do Sul, Goiás, Minas Gerais, Paraná, Rio de Janeiro,
Espírito Santo, Rio Grande do Sul

Mar. 2023

Acre, Rondônia, Tocantins, Distrito Federal, Mato Grosso,
Mato Grosso do Sul, Goiás

July 2027

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Alagoas, Ceará, Paraíba, Piauí, Pernambuco, Rio Grande do Norte, São Paulo (Capital)	Aug. 2027
Rio de Janeiro, Espírito Santo, Rio Grande do Sul	Apr. 2028
São Paulo (Interior)	Mar. 2028
Amazonas, Maranhão, Roraima, Amapá, Pará	Dec. 2022
Bahia, Sergipe, Paraná, Santa Catarina	Dec. 2017
GSM/900 MHz:	
Minas Gerais	Apr. 2020
Paraná (Norte)	Dec. 2022
Bahia, Paraná, Santa Catarina, Sergipe	Dec. 2017
Acre, Distrito Federal, Goiás, Rondônia, Mato Grosso, Mato Grosso do Sul, Tocantins	July 2027
Alagoas, Ceará, Paraíba, Piauí, Pernambuco, Rio Grande do Norte, São Paulo (Capital)	Aug. 2027
Espírito Santo, Rio de Janeiro, Rio Grande do Sul	Apr. 2028
São Paulo (Interior)	Mar. 2028
GSM/850 MHz:	
Acre, Distrito Federal, Goiás, Mato Grosso, Mato Grosso do Sul, Rondônia, Tocantins	July 2027
Alagoas, Ceará, Paraíba, Pernambuco, Piauí, Rio Grande do Norte, São Paulo (Capital)	Aug. 2027
Espírito Santo, Rio de Janeiro, Rio Grande do Sul	Apr. 2028
São Paulo (Interior)	Mar. 2028
Amazonas, Maranhão, Roraima, Amapá, Pará	Mar. 2023
GSM/450MHz: Acre, Amapá, Amazonas, Bahia, Maranhão, Pará, Rondônia, Roraima, Tocantins, São Paulo (Capital)	Oct. 2027

- (1) In addition to the nationwide block (20+20 MHz), Claro Brasil also has four regional complementary blocks (10+10 MHz - Band P), as of December 31, 2015.

Concessions

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

Table of Contents*Regulation***Concession Fees**

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

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

Termination of Concessions

Our domestic and international long-distance fixed-line concessions provide that under certain circumstances, certain of our assets are indispensable to the provision of services under those concessions will revert to the Brazilian state upon termination of the concession. Compensation for those assets would be their depreciated cost. See Note 21 to our audited consolidated financial statements included in this annual report.

Regulation of Rates

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

Regulation of Wholesale Market Competition

In November 2012, Anatel approved the General Competition Plan (*Plano Geral de Metas da Competição*, or PGMC), a comprehensive regulatory framework aimed at increasing competition in the telecommunications sector. The PGMC imposes asymmetric measures upon economic groups determined by Anatel to have significant market power in any of five wholesale markets in the telecommunications sector, on the basis of several criteria, including having over 20% of market share in the applicable market.

As a wireless operator, Claro Brasil, as well as three of its primary competitors, were determined to have significant market power in the wireless termination and national roaming markets. As a result, Claro Brasil was required to reduce wireless termination rates to 75% of the 2013 rates by February 2014, and to 50% of the 2013 rates by February 2015. In July 2014, Anatel established termination rates for wireless services applicable to operators with significant market power through 2019. Claro Brasil is also required to publish, and Anatel must approve, its reference roaming prices for voice, data and SMS on a semi-annual basis, among other measures.

In addition, Embratel was determined to have significant market power in the market for long-distance leased lines, Claro Brasil and Embratel were determined to have significant market power in the telecommunications infrastructure market and Net Serviços was determined to have significant market power in the local coaxial transmissions market, together with several of their wireless and fixed-line competitors. Following the merger of Embratel and Net Serviços

into Claro Brasil, Claro Brasil is required to publish and Anatel must approve its reference offers in each such market. Moreover, wholesale contracts entered into by operators determined to have significant market power, for the sale of such operators' services, are overseen by independent third-party companies.

In 2015, Anatel approved Claro Brasil's wholesale reference offers with respect to national roaming, telecommunications infrastructure, long-distance leased lines, wireless termination rates, internet network interconnection and internet links.

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In light of evolving market conditions, Anatel will review its determination of which operators have significant market power on a biannual basis. Anatel began its first review in November 2014, and it has not been completed. Anatel may also propose modifications to the asymmetric measures applicable under the PGMC, which would be subject to public comment. Anatel has not disclosed when this review will be completed or when its findings will become available as of the date of this annual report.

Network Usage Fees and Fixed-Line Interconnection Rates

In July 2014, Anatel approved a resolution establishing the reference terms for fees charged in connection with wireless network and leased lines usage, and setting a price cap on fees charged for fixed network usage economic groups deemed to have significant market power. Such values, developed based on Anatel's cost model studies, will be applicable beginning February 2016.

Fixed-line operators determined by Anatel to have significant market power in the local fixed-line market may freely negotiate interconnection rates, subject to a price cap established by Anatel. Other carriers, including Claro Brasil, may set interconnection rates up to 20.0% higher than such cap.

Other Obligations

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

COLOMBIA**Legal Framework and Principal Regulatory Authorities**

The Information and Communications Ministry (*Ministerio de Tecnologías de la Información y las Comunicaciones*, or ICT Ministry) and the Communications Regulatory Commission (*Comisión de Regulación de Comunicaciones*, or CRC) are responsible for overseeing and regulating the telecommunications sector, including wireless operations. The main audiovisual regulatory authority in Colombia with respect to Pay TV is the National Television Authority (*Autoridad Nacional de Televisión*, or ANTV). We are also subject to supervision by other government entities responsible for enforcing other regulations, such as antitrust rules or those protecting consumer rights.

Concessions

In November 2013, Comcel qualified for the general authorization for the provision of wireless services and was included in the register of networks and services administered by the ICT Ministry. Such general authorization superseded all of Comcel's former concession contracts and, consequently, such former concessions were terminated.

As a result of the termination of Comcel's former concessions, the ICT Ministry and Comcel began discussions with respect to the liquidation (*liquidación*) of the agreements governing those concessions. In light of the decision from the Colombian Constitutional Court (*Corte Constitucional de Colombia*) holding that certain laws limiting the

reversion of assets of telecommunications providers did not apply to concessions granted prior to 1998 and, consequently, that reversion of assets under those earlier concessions would be governed by their contractual terms, the ICT Ministry took the position that assets under Comcel's earlier concessions should revert to the Colombian government. Comcel disputes the ICT Ministry's interpretation of that decision. In February 2016, the ICT Ministry issued a press release announcing that it will summon an arbitration panel to decide the applicability and scope of the reversion clauses in Comcel's former concessions. Comcel has not been served with the announced arbitration lawsuit.

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On March 11, 2016, the Company notified the Trade, Industry and Tourism Ministry of Colombia (*Ministerio de Comercio, Industria y Turismo*) of its intention to submit an arbitration claim pursuant to the Free Trade Agreement between Mexico and Colombia (the FTA Mexico Colombia). The purpose of the arbitration is the intended reversion of certain wireless telecommunications assets operated by Comcel. The Company will request compensation relating to breaches of the FTA Mexico Colombia and international law provisions. This proceeding is independent of any rights that Comcel has to exercise any and all applicable legal actions against the ICT Ministry's proceeding.

Licenses and Permits

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

Frequency	Termination Date
2G/850 Mhz	Mar. 2024
3G/1900 Mhz	
Bandwidth:	
10 Mhz	Dec. 2019
5 Mhz	Sept. 2021
15 Mhz	Mar. 2024
5 Mhz	June 2016
4G/2600 Mhz	
Bandwidth:	
30 Mhz	Aug. 2023

In October 2013, Telmex Colombia obtained permission to provide Pay TV services under any available technology, pursuant to ANTV's unified licensing system.

Asymmetric Charges

In 2012, the CRC issued resolutions seeking to correct an alleged market failure and imposing the following measures on Comcel: (i) asymmetric charges for call termination on Comcel's network, with access rates lower than the rates we pay our competitors; and (ii) restrictions on the rates we charge our users for calls outside our network (off-net calls), which must not exceed the rates we charge for calls within our network (on-net calls). Asymmetric access charges were expected to end by January 1, 2015.

In 2014, the CRC updated the access charges scheme applicable to all operators. While it remains unclear whether this new scheme of general applicability also has the effect of extending the specific asymmetric charges applicable to Comcel beyond January 1, 2015, the CRC has responded to Comcel's requests for clarification by confirming that such scheme is general in nature and not targeted at Comcel.

Our competitors claim that the new scheme has the effect of extending asymmetric access charges until December 2016. Movistar and Tigo filed a claim before the Superintendency of Industry and Commerce (*Superintendencia de Industria y Comercio*, or SIC), which issued a preliminary injunction ordering Comcel to continue to apply asymmetric charges with respect to Movistar and Tigo, pending a decision on the merits of the underlying claim. In July 2015, Comcel filed challenges (*demandas de nulidad*) against the relevant CRC resolutions before the administrative courts. Comcel contested the preliminary injunction and vigorously defended its position that asymmetric access charges should not apply after January 1, 2015.

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Following the election of a new president in 2015, the Argentine government issued an Emergency Decree (*Decretos de Necesidad y Urgencia*, or DNU) to create a new communications ministry and regulator to oversee the telecommunications and media sectors. The National Communications Agency (*Ente Nacional de Comunicaciones*, or Enacom) is now the main telecommunications regulatory authority in Argentina and became operational in January 2016.

As part of the measures passed under the DNU, fixed and wireless services providers are prohibited from providing DTH technology. The measures also prohibit their provision of Pay TV services through any other technology as of January 2016 and for a two-year period, which may be extended by a further year.

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

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

Chile

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

Claro Chile holds concessions or licenses for wireless voice and data transmission in the 850 MHz and 1900 MHz frequency bands. Additionally, Claro Chile holds concessions for wireless and fixed-line data transmissions in the 700 MHz, 2.6 GHz, 3.4 GHz and 3.6 GHz bands.

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

Paraguay

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

in case of specified breaches of the terms of a license.

AMX Paraguay holds licenses to operate in the 1900 MHz and the 1700/2100 MHz bands. AMX Paraguay also holds a nationwide internet access and data transmission license. In addition, AMX Paraguay holds licenses to provide DTH services and cable TV services. These licenses are renewable, subject to regulatory approval, and contain coverage, reporting and service requirements.

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Uruguay

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

We hold three licenses for the provision of PCS and wireless data services in Uruguay as well as additional concessions in the 1900 MHz and the 1700/2100 MHz bands. The concessions in the 1900 MHz band expire in 2024 (40 MHz) and in 2033 (10 MHz) and the concessions in the 1700/2100 MHz bands expire in 2033.

In February 2013, the Court of Administrative Disputes (*Tribunal de lo Contencioso Administrativo*, or TCA) notified Flimay that the license granted to provide DTH services was again in force, following an initial revocation. In May 2013, the administrative authorities revoked that license for a second time. Flimay filed a lawsuit against that administrative decision and in December 2014 was notified by the TCA that Flimay's DTH license was provisionally valid. A final resolution of the trial is pending.

ANDEAN REGION

Ecuador

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

In February 2015, a new Telecommunications Law (*Ley Orgánica de Telecomunicaciones*) went into effect. It established new regulations for operators with significant market power and fines based on operators' incomes, as well as additional fees to be paid by operators based on the number of users. These payments are being paid quarterly on the dates established by Arcotel. For fiscal year 2015, Conecel had to pay the Ecuadorian state Ps. 967 million (U.S.\$56.2 million), an amount under protest and subject to dispute, in connection with these fees, which represented approximately 5.0% of its total revenues of advanced mobile services during fiscal year 2015.

Conecel holds concessions to operate in the 850MHz, 1900 MHz and AWS bands, which include concessions for PCS services that expire in 2023. The PCS concession contains quality-of-service requirements for successful call completions, SMS delivery times, customer service, geographic coverage and other service conditions. Conecel also holds licenses to provide internet value-added services, wholesale services and Pay TV Services (though DTH), expiring in 2021, 2017 and 2023, respectively.

Ecuador Telecom holds a concession to offer wireless voice and fixed-line voice, public telephony and domestic and international long-distance wholesale services, as well as a license to use the 3.5 GHz frequency band that expires in 2017 and a Pay TV license that expires in 2018. In 2015, Arcotel authorized the transfer to Conecel of Ecuador Telecom's concessions for fixed-line voice, public telephony and domestic and international long-distance wholesale services, as well as a Pay TV license. The transfer of these concessions could occur in 2016.

Peru

Claro Perú holds nationwide concessions to provide wireless, PCS, fixed-line, local wholesale, domestic and international long-distance, Pay TV services (through DTH and HFC technologies), public telephony and value-added services (including internet access). The concessions allow Claro Perú to operate on the 450 MHz, 850 MHz, 1900 MHz, 3.5 GHz, and 10.5 GHz band. Claro Perú is also awaiting final government authorization of its acquisition of 10 MHz in the 1700/2100 frequency band from a third-party operator.

Table of Contents*Regulation*

Each of the concessions was awarded by the MTC and covers a 20-year period. The concessions contain coverage, reporting, service requirement and spectral efficiency goals. The MTC is authorized to cancel any of the concessions in the case of specified breaches of its terms. Claro Perú may participate in the upcoming auction for spectrum in the 700 MHz band in 2016.

In April 2015, new mobile termination rates were issued for 2015 through 2017, establishing two different rates, one for Claro Perú and Telefónica del Perú and a different one for Entel and Viettel.

Europe*Regulation*

The telecommunications regulatory framework in the EU is comprised of a set of directives and regulations that apply to all EU member countries and cover fixed and wireless services, internet, broadcasting and transmission services. Austria, Bulgaria, Croatia and Slovenia are EU member countries. Macedonia and Serbia, candidates for accession to the EU, are expected to gradually harmonize their regulatory frameworks with the EU's framework.

In 2015, the EU enacted Regulation (EU) 2015/2120 concerning roaming charges and net neutrality, which will come into effect on April 30, 2016 and implemented new regulations regarding roaming and net neutrality. The new regulation foresees (i) the end of roaming charges in June 2017 and (ii) net neutrality rules protecting the right of every European to non-discriminatory access to the internet. Prior to the elimination of roaming charges under this regulation, roaming charges will be reduced in April 2016; operators will only be able to charge a small additional amount to domestic prices (up to 0.05 per minute of calls made, 0.02 per SMS sent, and 0.05 per MB of data). The net neutrality rules in the EU are similar to those in the United States with all traffic treated equally, subject to strict and clearly-identified exceptions. Telecommunications providers will still be able to offer specialized services, so long as these services are not supplied at the expense of the quality of the open internet.

Additionally, in each country where we operate, we are subject to a domestic telecommunications regulatory framework and to oversight by one or more local regulators.

Licenses

Country	Frequency	Termination date
Austria	800 MHz	Dec. 2029
	900 MHz	Dec. 2034
	1800 MHz	Dec. 2034
	2100 MHz	Dec. 2020
	2600 MHz	Dec. 2026
Bulgaria	900 MHz	June 2024
	1800 MHz	June 2024
	2100 MHz	Apr. 2025

Croatia	800 MHz	Oct. 2024
	900 MHz	Oct. 2024
	1800 MHz	Oct. 2024
	2100 MHz	Oct. 2024

Table of Contents*Regulation*

Country	Frequency	Termination date
Belarus	900 MHz	Indefinite
	1800 MHz	Indefinite
	2100 MHz	Indefinite
Slovenia	800 MHz	May 2029
	900 MHz	Jan. 2031
	1800 MHz	Jan. 2031
	2600 MHz	May 2029
	2100 MHz	Sept. 2021
Serbia	800 MHz	Nov. 2026
	900 MHz	Nov. 2026
	1800 MHz	Nov. 2026
	2100 MHz	Nov. 2026
Macedonia	2100 MHz	Feb. 2018
	900 MHz	Sept. 2023
	2100 MHz	Mar. 2017

Other Jurisdictions

	Regulators	Concession and Licenses
Costa Rica	<p>Superintendency of Telecommunications (<i>Superintendencia de Telecomunicaciones</i>)</p> <p>Ministry of Science, Technology and Telecommunications (<i>Ministerio de Ciencia, Tecnología y Telecomunicaciones</i>)</p>	<p>Concessions in the 1800 MHz and 2100 MHz bands for a 15-year term since 2011</p> <p>License to operate Pay TV services for a 15-year term since December 2012, in the case of DTH technology</p>
El Salvador	Electricity and Telecommunications Superintendency (<i>Superintendencia General de Electricidad y Telecomunicaciones</i>)	Concession of 50 MHz in the 1900 MHz band of which 30 MHz will expire in 2017, 10 MHz will expire in 2021, and 10 MHz will expire in 2028
Guatemala	Guatemalan Telecommunications Agency (<i>Superintendencia de Telecomunicaciones</i>)	Licenses in the 900 MHz and 1900 MHz bands for a 20-year term that expires in 2033

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Nicaragua

Nicaraguan Telecommunications and
Mailing Institute (*Instituto
Nicaragüense de Telecomunicaciones
y Correos*)

Concessions in the 700 MHz, 850 MHz, 1900 MHz and
1700/2100 MHz bands that will expire in 2022

Concession of 50 MHz in the 3.5 GHz band that will
expire in 2022

License to provide Pay TV services and DTH granted in
2007 and 2008, respectively

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Regulation

	Regulators	Concession and Licenses
Honduras	Honduran National Telecommunications Commission (<i>Comisión Nacional de Telecomunicaciones</i>)	Concession to use 80 MHz in the 1900 MHz PCS band and 40 MHz on the LTE-4G 1700/2100 MHz band that expires in 2033 License to operate Pay TV through HFC and DTH for 10-year periods since 2007 and 2010, respectively
Panama	National Authority of Public Services (<i>Autoridad Nacional de los Servicios Públicos</i>)	License to use 40 MHz in the 1900 MHz and 20 MHz in the 700 MHz bands for a 20-year period that will expire in 2028 License to provide Pay TV, international long-distance and value-added services
United States (TracFone)	The Federal Communications Commission (FCC)	Not required to hold wireless licenses to carry out its business
Dominican Republic	Dominican Institute of Telecommunications (<i>Instituto Dominicano de las Telecomunicaciones</i>)	Concessions to use 26 MHz in the 800 MHz band, 30 MHz in the 1900 MHz band, 30 MHz in the 3.5 GHz band and 40 MHz in the 1700/2100 (AWS) band that all expire in 2030
Puerto Rico	FCC and the Telecommunications Regulatory Board of Puerto Rico	Concession in the 700 MHz, 800 MHz and 1.7/2.1 GHz (AWS) bands, including 20 additional MHz won in 2015

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PART VII:

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The following table sets forth the number of employees and a breakdown of employees by main category of activity and geographic location as of the end of each year in the three-year period ended December 31, 2015.

	December 31,		
	2013	2014	2015
Number of employees	173,174	191,156	195,475
Category of activity:			
Wireless	58,416	75,846	77,701
Fixed	104,848	103,577	101,077
Other	9,910	11,733	16,697
Geographic location:			
Mexico	82,245	83,484	88,446
South America	71,137	71,596	69,269
Central America	9,233	9,319	9,581
United States	804	849	902
Caribbean	9,755	9,666	9,605
Europe		16,242 ⁽¹⁾	17,672

(1) We began consolidating Telekom Austria from July 1, 2014.

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

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LEGAL PROCEEDINGS

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

Our material legal proceedings are described in Note 21 to our audited consolidated financial statements included in this annual report and in Regulation under Part VI.

Table of Contents*Additional Information***PRINCIPAL ACCOUNTANT FEES AND SERVICES****AUDIT AND NON-AUDIT FEES**

The following table sets forth the fees billed to us and our subsidiaries by our independent registered public accounting firm, Mancera S.C., during the fiscal years ended December 31, 2014 and 2015:

	Year ended December 31,			
	2014		2015	
	<i>(in millions of Mexican pesos)</i>			
Audit fees	Ps.	203	Ps.	207
Audit-related fees		1		14
Tax fees		20		10
Total fees	Ps.	224	Ps.	231

Audit fees in the above table are the aggregate fees billed by Mancera and its Ernst & Young Global affiliated firms in connection with the audit of our annual financial statements and statutory and regulatory audits.

Audit-related fees in the above table are the aggregate fees billed by Mancera and its Ernst & Young Global affiliated firms for the review of reports on our operations submitted to IFT and attestation services that are not required by statute or regulation.

Tax fees in the above table are fees billed by Mancera and its affiliates for tax compliance services, tax planning services and tax advice services.

AUDIT AND CORPORATE PRACTICES COMMITTEE APPROVAL POLICIES AND PROCEDURES

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

Table of Contents*Additional Information***EXCHANGE RATES**

Mexico has had a free market for foreign exchange since 1991, and the government has allowed the peso to float freely against the U.S. dollar since December 1994.

The following table sets forth, for the periods indicated, the high, low, average and period-end rate reported by Banco de México for December 31, 2015 as published in the Official Gazette, expressed in pesos per U.S. dollar.

Period	High	Low	Average ⁽¹⁾	Period End
2011	14.2443	11.5023	12.4918	13.9787
2012	14.3949	12.6299	13.1670	13.0101
2013	13.4394	11.9807	12.8210	13.0765
2014	14.7853	12.8462	13.3580	14.7180
2015	17.3776	14.5559	16.0379	17.2065
October	17.0771	16.3959	16.5993	16.6219
November	16.8700	14.4196	16.6322	16.5492
December	17.3776	16.5104	17.0128	17.2065
2016				
January	18.6080	17.2487	17.9456	18.2906
February	19.1754	18.0568	18.4592	18.1680
March	18.1706	17.2995	17.6721	17.4015
April (through April 15)	17.8930	17.2370	17.5549	17.4900

(1) Average of month-end rates.

On April 15, 2016, the rate published by the Official Gazette was Ps.17.4900 to U.S.\$1.00.

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ADDITIONAL INFORMATION

We file reports, including annual reports on Form 20-F, and other information with the SEC pursuant to the rules and regulations of the SEC that apply to foreign private issuers. You may read and copy any materials filed with the SEC at its public reference rooms in Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Any filings we make electronically will be available to the public over the internet at the SEC's web site at <http://www.sec.gov> and at our website at <http://www.americamovil.com>. (This URL is intended to be an inactive textual reference only. It is not intended to be an active hyperlink to our website. The information on our website, which might be accessible through a hyperlink resulting from this URL, is not and shall not be deemed to be incorporated into this annual report.)

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

- 1.1 Amended and Restated Bylaws (*estatutos sociales*) of América Móvil, S.A.B. de C.V., dated as of January 13, 2016 (together with an English translation).
- 7.1 Calculation of Ratios of Earnings to Fixed Charges.
- 8.1 List of principal subsidiaries of América Móvil, S.A.B. de C.V.
- 12.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 12.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 13.1 Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 15.1 Consent of Mancera, S.C.

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FORWARD-LOOKING STATEMENTS

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

projections of our commercial, operating or financial performance, our financing, our capital structure or our other financial items or ratios;

statements of our plans, objectives or goals, including those relating to acquisitions, competition and rates;

statements concerning regulation or regulatory developments;

statements about our future economic performance or that of Mexico or other countries in which we operate;

competitive developments in the telecommunications sector;

other factors and trends affecting the telecommunications industry generally and our financial condition in particular; and

statements of assumptions underlying the foregoing statements.

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

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors, some of which are discussed under Risk Factors, include economic and political conditions and government policies in Mexico, Brazil, Colombia, Europe and elsewhere, inflation rates, exchange rates, regulatory developments, technological improvements, customer demand and

competition. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. You should evaluate any statements made by us in light of these important factors.

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

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GLOSSARY

Term	Definition
Broadband	High-speed data transmission in which a single cable (coaxial cable or optical fiber) can carry a large amount of data at once.
Bundle	The marketing of different services as one combined service.
Churn	Disconnection rate. The ratio of wireless subscribers disconnected during a given period to the number of subscribers at the beginning of that period.
Covered population	Population covered by our wireless networks, expressed as the population count or as a percentage of the total population.
Cloud	Cloud services are internet-based services providing users with on-demand access to resources, data and information.
Data administration	

Services that plan, organize and control data resources for customers according to their needs.

Data center	A facility used to house computer systems and associated components. We use our data centers to manage a number of cloud solutions.
DTH	Direct-to-home broadcasting is a method for transmitting satellite signals directly to the subscriber's home.
Fixed-line	Telephone services requiring the use of a metal wire or fiber optic telephone line for transmission.
Fixed RGUs	RGUs from fixed voice, fixed data and Pay TV services.
GSM	Global System for Mobile Communications. A standard used to describe the protocols for certain digital cellular networks.
GSM EDGE	Enhanced Data Rates for GSM Evolution is a 3rd generation (3G) standard for wireless communication of data for mobile phones and data terminals.
HFC	Hybrid fiber-coaxial is a broadband network that combines optical fiber and coaxial cable.

Hosting services	Services allowing customers to provide content on the internet, either through maintaining a webpage, an email address or other services.
IAAS	Infrastructure as a service is a cloud-service model offering virtual machines and other resources.
Interconnection rates	The charges that one telecommunications network operator charges another network operator for allowing customers to access its network.
Licensed population	Population covered by the licenses that each of our subsidiaries manages.
Long-distance	Long-distance calls are calls made outside a defined area and may incur additional charges or be subject to specific regulations.

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Additional Information

LTE/4G	Long-term evolution is a 4th generation (4G) standard for wireless communication of high-speed data for mobile phones and data terminals.
Machine-to-machine services	Services allowing direct communication between devices over a network, including fixed and wireless devices.
Market share	A company s subscriber base in a given country divided by the total number of subscribers in that country.
Mobile payment	Refers to payment services and applications operated and performed on a mobile device.
MHz	Megahertz. The unit of frequency to measure one thousand cycles per second that is used to determine radio frequencies.
MVNO	Mobile Virtual Network Operator. A wireless communications services provider that does not own the wireless network infrastructure but enters into agreements with other mobile service providers for the use of their networks.

Net debt	Total debt minus cash and cash equivalents, minus marketable securities or other short-term investments.
On-demand	Describes services providing customers the ability to stream content over our network immediately upon their request.
OTT services	Over-the-top Services. The provision of content, including videos, television and other information, directly from the content provider to the viewer or end user.
Pay TV	Pay Television. This refers to television services we offer to subscribers through cable and satellite networks.
PCS	Personal Communications Service is a set of wireless communications systems providing cellular, mobile or paging services.
Prepaid subscriber	A subscriber who does not hold a contract with the company for voice and data services but pays in advance for specific use of services.
Postpaid subscriber	A subscriber who has a contract with the company for voice and data services and is billed recurrently for use of services.
RGU	Revenue Generating Unit. This is an individual subscriber who provides recurring revenue.

Roaming	Allows wireless subscribers to access networks other than our own, enabling them to use their devices, including for voice and data transmission. Typically refers to using accessing a network while abroad.
SMS	Short Message Service. A text messaging service component of a fixed or wireless communication systems.
SAAS	Software as a service is a cloud-service model offering users access to software applications and databases.

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Additional Information

Subscriber acquisition cost	The sum of handset subsidies, marketing expenses and commissions to distributors for handset activation. Handset subsidy is the difference between equipment cost and equipment revenues.
Total RGUs	Fixed RGUs and wireless subscribers.
UMTS	Universal Mobile Telecommunications System is a 3rd Generation mobile cellular system for networks based on the GSM standard.
VPN	Virtual private network grants users access to a private network virtually across a public network.
Wireless penetration	Total wireless subscribers in a given country divided by the total population in that country.

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SIGNATURES

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

Dated: April 26, 2016

AMÉRICA MÓVIL, S.A.B. DE C.V.

By: /s/ Carlos José García Moreno
Elizondo

Name: Carlos José García Moreno Elizondo
Title: Chief Financial Officer

By: /s/ Alejandro Cantú Jiménez

Name: Alejandro Cantú Jiménez
Title: General Counsel

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PART VIII:

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

Consolidated Financial Statements

Years Ended December 31, 2015, 2014 and 2013

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

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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, 2014 and 2015 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, 2015. 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, 2014 and 2015, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, 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, 2015, 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 18, 2016, expressed an unqualified opinion thereon.

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

/s/ Carlos Carrillo Contreras

C.P.C. Carlos Carrillo Contreras

Mexico City, Mexico

April 18, 2016

Table of Contents**AMÉRICA MÓVIL, S.A.B. DE C.V. AND SUBSIDIARIES****Consolidated Statements of Financial Position**

(In thousands of Mexican pesos)

	At December 31,		Millions of	
	2014	2015	U.S. dollars 2015	
Assets				
Current assets:				
Cash and cash equivalents (Note 4)	Ps. 66,473,703	Ps. 45,160,032	US\$	2,625
Marketable securities and other short-term investments (Note 5)		56,347,469		3,275
Accounts receivable:				
Subscribers, distributors, recoverable taxes and other, net (Note 6)	145,584,407	155,241,127		9,022
Related parties (Note 7)	1,320,107	845,633		49
Derivative financial instruments (Note 8)	22,536,056	40,882,008		2,376
Inventories, net (Note 9)	35,930,282	35,577,472		2,068
Other assets, net (Note 10)	16,563,602	17,277,913		1,004
Total current assets	288,408,157	351,331,654		20,419
Non-current assets:				
Property, plant and equipment, net (Note 11)	588,106,180	573,528,878		33,332
Intangibles, net (Note 12)	117,319,788	124,745,040		7,250
Goodwill (Note 12)	140,903,391	137,113,716		7,969
Investments in associated companies (Note 13)	49,262,581	3,110,570		181
Deferred income taxes (Note 14)	66,500,539	81,407,012		4,731
Other assets, net (Note 10)	27,856,033	25,249,943		1,467
Total assets	Ps. 1,278,356,669	Ps. 1,296,486,813	US\$	75,349
Liabilities and equity				
Current liabilities:				
Short-term debt and current portion of long-term debt (Note 15a)	Ps. 57,805,517	Ps. 119,589,786	US\$	6,950
Accounts payable (Note 16a)	191,503,362	189,938,381		11,039
Accrued liabilities (Note 16b)	53,968,679	52,243,228		3,036
Income tax and other taxes payable	35,834,083	20,666,548		1,201
Derivative financial instruments (Note 8)	8,527,812	7,450,790		433
Related parties (Note 7)	3,087,292	2,246,834		131
Deferred revenues (Note 17)	31,464,235	33,399,892		1,941
Total current liabilities	382,190,980	425,535,459		24,731
Non-current-liabilities:				

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Long-term debt (Note 15a)	545,949,470	563,626,958	32,757
Deferred income taxes (Note 14)	14,190,442	11,589,865	674
Deferred revenues (Note 17)	1,330,757	1,052,940	61
Derivative financial instruments (Note 8)		3,314,146	193
Asset retirement obligations (Note 16c)	13,451,407	11,569,897	672
Employee benefits (Note 18)	86,604,565	118,943,362	6,913
Total non-current liabilities	661,526,641	710,097,168	41,270
Total liabilities	1,043,717,621	1,135,632,627	66,001
Equity (Note 19):			
Capital stock	96,382,631	96,338,477	5,599
Retained earnings:			
Prior years	146,188,038	137,276,667	7,976
Profit for the year	46,146,370	35,054,772	2,039
Total retained earnings	192,334,408	172,331,439	10,015
Other comprehensive loss items	(104,332,763)	(156,391,921)	(9,089)
Equity attributable to equity holders of the parent	184,384,276	112,277,995	6,525
Non-controlling interests	50,254,772	48,576,191	2,823
Total equity	234,639,048	160,854,186	9,348
Total liabilities and equity	Ps. 1,278,356,669	Ps. 1,296,486,813	US\$ 75,349

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

Table of Contents**AMÉRICA MÓVIL, S.A.B. DE C.V. AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income**

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

For the year ended December 31,

	2013	2014	2015	2015 Millions of U.S. dollars, except for earnings per share
Operating revenues:				
Mobile voice services	Ps. 265,039,903	Ps. 255,606,335	Ps. 243,576,248	US\$ 14,156
Fixed voice services	111,785,611	114,687,475	104,754,844	6,088
Mobile data services	159,589,580	194,882,905	235,087,506	13,663
Fixed data services	85,039,329	97,533,378	104,853,471	6,094
Paid television	60,829,310	68,378,623	65,259,697	3,793
Sales of equipment, accessories and computers	84,544,261	95,632,868	115,557,754	6,716
Other related services	19,273,027	21,540,236	25,127,107	1,460
	786,101,021	848,261,820	894,216,627	51,970
Operating costs and expenses:				
Cost of sales and services	358,291,177	386,102,139	418,061,856	24,297
Commercial, administrative and general expenses	167,184,570	185,683,205	203,524,778	11,828
Other expenses	4,832,685	4,928,675	5,440,338	316
Depreciation and amortization (Notes 10, 11 and 12)	101,534,833	114,993,551	125,735,395	7,307
	631,843,265	691,707,570	752,762,367	43,748
Operating income	154,257,756	156,554,250	141,454,260	8,222
Interest income (Note 15b)	2,925,834	7,052,271	4,774,894	278
Interest expense (Note 15c)	(23,950,653)	(31,522,523)	(31,200,286)	(1,813)
Foreign currency exchange loss, net	(19,610,465)	(28,615,459)	(78,997,898)	(4,591)
Valuation of derivatives, interest cost from labor obligations and other financial items, net (Note 15d)	(8,291,535)	(10,190,261)	21,536,159	1,252
	36,282	(6,073,009)	(1,426,696)	(83)

Equity interest in net income (loss) of associated companies (Note 13)						
Profit before income tax	105,367,219	87,205,269	56,140,433	3,265		
Income tax (Note 14)	30,392,731	39,707,549	19,179,651	1,115		
Net profit for the year	Ps. 74,974,488	Ps. 47,497,720	Ps. 36,960,782	US\$ 2,150		
Net profit for the year attributable to:						
Equity holders of the parent	Ps. 74,624,979	Ps. 46,146,370	Ps. 35,054,772	US\$ 2,039		
Non-controlling interests	349,509	1,351,350	1,906,010	111		
	Ps. 74,974,488	Ps. 47,497,720	Ps. 36,960,782	US\$ 2,150		
Basic and diluted earnings per share attributable to equity holders of the parent from continuing operations						
	Ps. 1.02	Ps. 0.67	Ps. 0.52	US\$ 0.03		
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 and affiliates	Ps. (26,888,282)	Ps. (6,255,715)	Ps. (35,606,320)	US\$ (2,069)		
Effect of fair value of derivatives, net of deferred taxes	(740,740)	(313,572)	37,495	2		
Unrealized gain on available for sale securities, net of deferred taxes			4,011			
Items that will not be reclassified to profit or loss in subsequent years:						
Re-measurement of defined benefit plan, net of deferred taxes	(2,438,039)	(6,807,975)	(17,980,418)	(1,045)		
Total other comprehensive loss items for the year, net of deferred taxes	(30,067,061)	(13,377,262)	(53,545,232)	(3,112)		
Total comprehensive income (loss) for the year	Ps. 44,907,427	Ps. 34,120,458	Ps. (16,584,450)	US\$ (962)		
Comprehensive income (loss) for the year attributable to:						
Equity holders of the parent	Ps. 45,108,504	Ps. 33,404,912	Ps. (16,750,963)	US\$ (972)		
Non-controlling interests	(201,077)	715,546	166,513	10		
	Ps. 44,907,427	Ps. 34,120,458	Ps. (16,584,450)	US\$ (962)		

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

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Table of Contents**AMÉRICA MÓVIL, S.A.B. DE C.V. AND SUBSIDIARIES****Consolidated Statements of Changes in Shareholders' Equity****For the years ended December 31, 2013, 2014 and 2015**

(In thousands of Mexican pesos)

	Legal reserve	Retained earnings	Effect of derivative financial instruments acquired for hedging purposes	Unrealized gain on available for sale securities	Re-measurement of defined benefit plans	Cumulative Translation adjustment	Total equity attributable to equity holders of the parent	
2011	Ps. 358,440	Ps. 210,598,355	Ps. (496,011)		Ps. (54,077,454)	Ps. (7,220,700)	Ps. 245,577,471	Ps.
		74,624,979					74,624,979	
					(2,289,811)		(2,289,811)	
			(741,321)				(741,321)	
						(26,485,343)	(26,485,343)	
		74,624,979	(741,321)		(2,289,811)	(26,485,343)	45,108,504	
		(15,872,527)					(15,872,527)	
2012		(70,923,493)					(70,945,995)	
		(1,466,842)					(1,466,842)	
2013	358,440	196,960,472	(1,237,332)		(56,367,265)	(33,706,043)	202,400,611	

		46,146,370				46,146,370	
			(329,112)			(329,112)	
				(6,625,463)		(6,625,463)	
					(5,786,883)	(5,786,883)	
		46,146,370	(329,112)	(6,625,463)	(5,786,883)	33,404,912	
		(16,539,294)				(16,539,294)	
08)		(34,646,254)				(34,655,962)	
			9,751	45	(290,461)	(280,665)	3
		54,674				54,674	(
31	358,440	191,975,968	(1,556,693)	(62,992,683)	(39,783,387)	184,384,276	5
		35,054,772				35,054,772	
			37,011			37,011	
				4,011		4,011	

				(17,791,354)		(17,791,354)	
					(34,055,403)	(34,055,403)	
	35,054,772	37,011	4,011	(17,791,354)	(34,055,403)	(16,750,963)	
	(37,192,594)					(37,192,594)	
54)	(33,942,627)					(33,951,781)	
00)	16,193,640					16,158,640	
		1,458,894		(2,060,910)	348,593	(253,423)	
	(116,160)					(116,160)	
77	Ps. 358,440	Ps. 171,972,999	Ps. (60,788)	Ps. 4,011	Ps. (82,844,947)	Ps. (73,490,197)	Ps. 112,277,995
							Ps. 4

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

Table of Contents**AMÉRICA MÓVIL, S.A.B. DE C.V. AND SUBSIDIARIES****Consolidated Statements of Cash Flows**

(In thousands of Mexican pesos)

	For the year ended December 31,			2015
	2013	2014	2015	Millions of U.S. dollars
Operating activities				
Profit before income tax	Ps. 105,367,219	Ps. 87,205,269	Ps. 56,140,433	US\$ 3,265
Items not requiring the use of cash:				
Depreciation (Note 11)	94,893,801	106,386,514	110,177,127	6,403
Amortization of intangible and other assets (Note 10 and 12)	6,641,032	8,607,037	15,558,268	904
Equity interest in net (income) loss of associated companies (Note 13)	(36,282)	6,073,009	1,426,696	83
Loss (gain) on derecognition of equity method investment (Note 13)		3,172,218	(11,988,038)	(697)
Loss on sale of property, plant and equipment	546,939	297,609	127,379	7
Net period cost of labor obligations (Note 18)	7,292,839	7,855,714	9,278,081	539
Foreign currency exchange (gain) loss, net	10,120,083	36,559,881	59,251,396	3,444
Interest income	(2,925,834)	(7,052,271)	(4,774,894)	(278)
Interest expense	23,950,653	31,522,523	31,200,286	1,813
Employee profit sharing	4,648,304	4,058,158	3,311,887	192
Loss on partial sales of shares of associated company (Note 15d)	896,956	5,554,612	545	
Gain in valuation of derivative financial instruments, capitalized interest expense and other, net	(5,844,528)	(3,410,626)	(18,274,034)	(1,062)
Working capital changes:				
Accounts receivable from subscribers, distributors and other	(12,386,088)	(11,791,213)	(17,641,833)	(1,026)
Prepaid expenses	(1,596,241)	7,469,217	(1,765,071)	(103)
Related parties	(628,029)	470,719	113,662	7
Inventories	(9,564,979)	2,470,754	(83,902)	(5)

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Other assets	(3,081,649)	(7,996,680)	(8,378,977)	(487)
Employee benefits	(13,524,328)	(14,916,385)	(3,058,536)	(178)
Accounts payable and accrued liabilities	37,754,976	14,260,208	(6,410,783)	(372)
Employee profit sharing paid	(4,013,320)	(4,737,467)	(4,055,711)	(236)
Financial instruments and other	(1,194,640)	(3,984,891)	(1,882,540)	(109)
Deferred revenues	2,541,976	1,356,453	782,803	45
Interest received	2,944,399	4,722,621	5,275,303	307
Income taxes paid	(55,013,967)	(33,542,469)	(50,602,556)	(2,943)
Net cash flows provided by operating activities	187,789,292	240,610,514	163,726,991	9,513
Investing activities				
Purchase of property, plant and equipment (Note 11)	(118,416,286)	(126,265,297)	(128,039,913)	(7,441)
Acquisition of intangibles (Note 12)	(3,334,464)	(19,319,656)	(23,532,826)	(1,367)
Dividends received from associates (Note 13)	212,394	359,413	1,645,712	96
Proceeds from sale of plant, property and equipment	44,045	96,781	27,329	2
Acquisition of businesses, net of cash acquired (Note 13)	(1,730,588)	(11,910,582)	(3,457,153)	(201)
Partial sale of shares of associated company (Note 13)	4,299,360	12,066,037	633,270	37
Proceeds from repayment of related party loan (Note 13)			21,000,000	1,220
Investments in associate companies (Note 13)	(15,366,062)	(2,654,342)	(177,965)	(9)
Net cash flows used in investing activities	(134,291,601)	(147,627,646)	(131,901,546)	(7,663)
Financing activities				
Loans obtained	126,301,382	44,174,698	189,073,791	10,989
Repayment of loans	(60,710,863)	(36,683,909)	(133,110,776)	(7,736)
Interest paid	(22,654,119)	(33,283,418)	(32,830,432)	(1,908)
Repurchase of shares	(70,745,785)	(35,049,327)	(34,443,084)	(2,002)
Dividends paid (Note 19)	(15,722,576)	(17,054,829)	(37,359,600)	(2,171)
Derivative financial instruments	(546,770)	653,116	(503,444)	(29)
Capital stock increase in Telekom Austria (Note 13)		7,181,894		
Acquisition of non-controlling interests	(2,567,609)	(4,696,245)	(1,031,049)	(60)
Net cash flows used in financing activities	(46,646,340)	(74,758,020)	(50,204,594)	(2,917)

Net increase (decrease) in cash and cash equivalents	6,851,351	18,224,848	(18,379,149)	(1,067)
Adjustment to cash flows due to exchange rate fluctuations, net	(4,175,001)	85,305	(2,934,522)	(171)
Cash and cash equivalents at beginning of the year	45,487,200	48,163,550	66,473,703	3,863
Cash and cash equivalents at end of the year	Ps. 48,163,550	Ps. 66,473,703	Ps. 45,160,032	US\$ 2,625
Non-cash transactions related to:				
Acquisitions of property, plant and equipment in accounts payable at end of year	Ps. 15,146,947	Ps. 16,771,745	Ps. 12,785,347	US\$ 743

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

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

Notes to Consolidated Financial Statements

Years ended December 31, 2013, 2014 and 2015

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

1. Description of the business and Relevant Events

I. Corporate Information

América Móvil, S.A.B. de C.V. and subsidiaries (hereinafter, the Company, América Móvil or AMX) was incorporated under laws of Mexico on September 25, 2000. The Company provides telecommunications services in 25 countries throughout 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, sales of equipment, accessories and computers 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 24 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, Mexico City, México.

The accompanying consolidated financial statements were approved for their issuance by the Company's Chief Financial Officer on April 18, 2016, and subsequent events have been considered through that date. They will then be presented for approval by the Company's shareholders on April 18, 2016. Those shareholders have the authority to approve and or otherwise modify the consolidated financial statements.

Relevant events in 2015

i) In March 2015, the Company announced the signing of an agreement with the telephone company Axtel in México, to settle all disputes relating to the call termination rates and issues related to interconnection, initiated

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in 2005. Additionally, the amounts disputed and pending relating to mobile termination services for the period 2005-2014 were settled. As consideration for the conclusion of such agreement; the signing of the interconnection agreements with Telcel for the period 2005-2015; the completion of various controversies between Axtel, Telcel, Telmex and Telnor (Telefonos del Noroeste, S.A. de C.V.), and the transfer of various litigations rights in favor of América Móvil derived administrative and judicial proceedings existing between the parties, the Company paid to Axtel the amount of Ps. 950,000. The provision for this contingency had already been recorded as an expense in prior years.

ii) On May 20, 2015 the Company placed bonds for an amount of EUR 3,000,000 thousand which may be settled in cash at the Company's option or exchangeable into ordinary shares of KPN. The bonds have a maturity of five years and pay no interest. An exchange premium agreed for the issue was set at 45 % of the closing price, which was at a value of EUR 3.38 per share. The underlying shares of KPN are approximately 612.2 million, representing approximately 14.3% of the shares of KPN. At maturity or at maturity that investors exercise their options, AMX can choose to pay in cash, pay the underlying shares or a combination of both. (See Note 15).

iii) On July 20, 2015, a new Company owned satellite Star one C-4 was launched, which took place at the Kourou Space Center in French Guiana. This is the eighth satellite that is in orbit and has 49 KU-band transponders to provide TV services and other telecommunications services. The satellite covers the Americas from the United States of America to Tierra de Fuego in Argentina.

iv) On September 9, 2015, the Company completed the placement of EUR 750,000 thousand principal amount of mandatory exchangeable bonds. The Bonds have a maturity of 3 years and will pay a coupon of 5.5% per year payable quarterly in arrears. At maturity, the bonds will be mandatory converted into ordinary shares of KPN (AMX may do a physical or cash settlement at their option), at a price of 3.34 Euros per share. The Company will have the benefit of any price increase up to 27.5% of the aforementioned price that is 4.26 Euros per share (See Note 15).

v) On September 27 and October 13, 2015, all necessary approvals from the Instituto Federal de Telecomunicaciones (IFT) and Mexican Tax Authorities were obtained for the spin-off of Telesites, S.A.B. de C.V. (Telesites) from América Móvil. The issuance and exchange of the shares was made in December 2015. The effects of such spin-off are described in Note 13.

vi) During 2015, there was currency depreciation mainly in the Mexican peso against the US dollar and the euro, and the Brazilian reals against the US dollar, euro and the Mexican peso. Because a significant portion of the Company debt is denominated in US dollar and euro, as well as the fact that a significant portion of the Company's subsidiary operations have the Brazilian reals functional currency, the currency depreciation adversely affected the results of the Company as part of the foreign exchange loss of the period.

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), the trust assets of post-employment and other employee benefit plans and

the investments in available for sale securities.

The preparation of these consolidated financial statements under IFRS requires the use of critical estimates and assumptions that affect the amounts reported for certain assets and liabilities, as well as certain income and

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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 consolidated 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:

- (a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- (b) Exposure, or rights, to variable returns from its involvement with the investee, and
- (c) 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:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual arrangements; and
- (c) 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:

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

Derecognizes the carrying amount of any non-controlling interests;

Derecognizes the cumulative translation differences recorded in equity;

Recognizes the fair value of the consideration received;

Recognizes the fair value of any investment retained;

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Recognizes any surplus or deficit in profit or loss; and

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.

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.

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The equity interest in the most significant subsidiaries and associated companies at December 31, 2014 and 2015, is as follows:

Company name	Country	Equity interest at December 31	
		2014	2015
Subsidiaries:			
AMX Tenedora, S.A. de C.V. (a)	Mexico	100.0%	100.0%
América Móvil B.V. (f.k.a. Carso Telecom 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%
Claro Telecom Participacoes, S.A. (Claro Brasil) (a)	Brazil	100.0%	100.0%
Americel, S.A. (b)	Brazil	100.0%	99.9%
Claro S.A. (b)	Brazil	96.2%	96.4%
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	99.6%	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	48.8%	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%
Consortio 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%

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Carso Global Telecom, S.A. 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) (1)	Mexico	97.8%	98.7%
Telmex Internacional, S.A. de C.V. (b)	Mexico	97.8%	97.8%

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Company name	Country	Equity interest at December 31	
		2014	2015
Controladora de Servicios de Telecomunicaciones, S.A. de C.V. (Consertel) (b)	Mexico	98.4%	98.4%
Telmex Argentina, S.A. (b)	Argentina	99.7%	99.7%
Ertach, S.A. (b)	Argentina	99.8%	99.8%
Telstar, S.A. (b)	Uruguay	99.9%	99.9%
Ecuador Telecom, S.A. (b)	Ecuador	98.4%	98.4%
Claro 110, S.A. (c)	Chile	99.9%	99.9%
Sección Amarilla USA, LLC. (c)	USA	98.4%	98.4%
Publicidad y Contenido Editorial, S.A. de C.V. (c)	Mexico	98.4%	98.4%
Editorial Contenido, S.A. de C.V. (c)	Mexico	98.4%	98.4%
Plaza VIP COM, S.A.P.I. de C.V. (c)	Mexico	98.4%	100.0%
Grupo Telvista, S.A. de C.V. (c)	Mexico	89.4%	89.4%
Telekom Austria AG (b)	Austria	59.7%	59.7%
Hitss Solutions, S.A. de C.V. (f.k.a. Hildebrando Internacional, S.A. de C.V.) (c) (1)	Mexico	35.0%	68.9%
Associates:			
Koninklijke KPN B.V. (KPN) (b) (2)	Netherlands	21.1%	N/A

(a) Holding companies

(b) Operating companies of mobile and fixed services

(c) Advertising media, content companies and/or other businesses

(1) See Note 13 for further details on its consolidation.

(2) See Note 13 for further details on its recognition as investment available for sale.

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 65%, 66% and 69% of operating revenues of 2013, 2014 and 2015, respectively, and their total assets jointly represent approximately 78% and 73% of total assets at December 31, 2014 and 2015, respectively.

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

The translation of financial statements of foreign subsidiaries 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 Company s consolidated statements of cash flows are presented using the indirect method.

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The difference resulting from the translation process is recognized in equity in the caption Effect of translation . At December 31, 2014 and 2015, the cumulative translation loss was Ps. (39,783,387) and Ps. (73,490,197), 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 of comprehensive income, as follows:

Mobile voice

Mobile data

Fixed voice

Fixed data

Pay TV

Sales of equipment, accessories and computers

Other related services

The Company accounts separately for multiple elements. To recognize the multi-elements or multiple services at its fair value, the Company assigns its fair value to each type of element. In multi-elements plans, the Company considers the price offered in each package, 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.

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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 when the risks as rewards of ownership has passed, which is considered the time the products are delivered and accepted by the customer (distributors and general public) 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 through 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 in straight line over the period of use of the directories.

Loyalty programs

Some subsidiaries have loyalty programs where the Company awards credits customer credit awards referred as points . The customer can redeem accrued points for awards such as devices, accessories or air time. All awards are provided by the Company.

The consideration allocated to the award credits is identified as a separate identifiable component; the corresponding liability of the award credits is measured at its fair value. The consideration allocated to award credits amount is deferred recognized as revenue at the time that such points are redeemed and the Company has fulfill its obligations to supply awards.

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c) Cost of mobile equipment and computers

The cost of mobile equipment and computers is recognized at the time the client receives the device. The costs relating to the sale of such equipment is recognized in "cost of sales and services" line in the consolidated statements of comprehensive income.

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.

e) Commissions to distributors

The Company's 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" line in the consolidated statements of comprehensive income, as these fees are not reflected in the price of services and products.

f) Cash and cash equivalents

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

The Company also maintains restricted cash held as collateral to meet certain contractual obligations (see Note 10). Restricted cash is presented as part of "Other assets" within other non-current financial assets given that the restrictions are long-term in nature (See Note 10).

g) Marketable securities and other short term investments

Marketable securities and other short term investments are primarily composed of investment securities available for sale, although this line item also includes other short-term financial investments. Amounts are initially recorded at cost and adjusted to their estimated fair value. Fair value adjustments for available for sale securities are recorded through other comprehensive income, while fair value adjustments for other short-term investments are recorded in the income statement as they occur. Short term investments are those that may be liquidated between three months and one year, should the Company decide to do so.

h) 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).

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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, as well as the balance aging.

Cash collateral that clients in time left as default and according to business policies that operated the company is deducted from the account balance to be impaired once the deposit has been identified.

i) 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 line 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.

The cost of the equipment sold in installments is recognized when charged in each of the quotas.

j) 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.

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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, 2013, 2014 and 2015, no impairment losses were recognized for the goodwill shown in the Company's consolidated statements of financial position.

k) 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 2013, 2014 and 2015 the borrowing costs that were capitalized amounted to Ps. 3,002,576, Ps. 3,258,928 and Ps. 3,524,841, 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.

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Annual depreciation rates are as follows:

Telephone plant in operation and equipment:	
Monitoring equipment and network performance	20%-33%
Base stations	5%-33%
Switching and telephone exchanges	2%-20%
Towers, antennas and engineering works	10%-13%
Measuring equipment	2%-17%
Buildings and leasehold improvements	2%-33%
Submarine cable	5%
Other assets	10%-50%

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, 2013, 2014 and 2015, 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.

l) 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 3 to 30 years, which represents the usage period of the assets. The payments to the governments are recognized in the cost of service and equipment.

ii) Concessions

The Company has concessions for telecommunications services granted by the governments of the countries in which it operates.

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

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

In some of the jurisdictions where the Company operates and under certain circumstances, the Company may be required to transfer certain assets covered by some of its concessions to the government pursuant to valuation methodologies that vary in each jurisdiction. In Brazil, for example, Claro Brasil is required to maintain and file before the Brazilian Agency of Telecommunications (*Agência Nacional de Telecomunicações*, or Anatel) a list of assets potentially subject to reversion. The most recent publically available filing, published by Anatel in 2014, lists potentially reversible assets for an estimated book value of Ps. 13,880,479 (3,150,000 thousand Brazilian reals). The Company believes that this list significantly overstates the extent of assets that would as a legal matter be subject to reversion, but there is no regulatory requirement or legal basis for a more refined analysis. See also Notes 11 and 21.

iii) 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.

iv) 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.

v) 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, 2013, 2014 and 2015, no impairment losses were recognized for licenses, trademarks, rights of use or customer relationships.

m) 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

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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 the functional currency of the subsidiary as of December 31, 2015.

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.