

AMERICA MOVIL SAB DE CV/

Form 6-K

July 31, 2012

Table of Contents

United States
Securities and Exchange Commission

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant To Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of July 2012

Commission File Number: 1-16269

AMÉRICA MÓVIL, S.A.B. DE C.V.

(Exact Name of the Registrant as Specified in the Charter)

America Mobile

Edgar Filing: AMERICA MOVIL SAB DE CV/ - Form 6-K

(Translation of Registrant's Name into English)

Lago Zurich 245

Plaza Carso / Edificio Telcel

Colonia Granada Ampliación

11529 México, D.F., México

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. (Check One) Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

This Report on Form 6-K shall be deemed incorporated by reference into the Registrant's

Registration Statement on Form F-3ASR (File No. 333-182394).

Table of Contents

TABLE OF CONTENTS

	Page
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	3
<u>Operating and Financial Review as of June 30, 2012 and for the six months ended June 30, 2012 and 2011</u>	4
<u>Ratio of Earnings to Fixed Charges</u>	10

We have prepared this report to provide our investors with disclosure and financial information regarding recent developments in our business and results of operation for the six months ended June 30, 2012.

The information in this report supplements information contained in our annual report on Form 20-F for the year ended December 31, 2011 (File No. 001-16269), filed with the U.S. Securities and Exchange Commission on April 30, 2012 (our 2011 Form 20-F).

Table of Contents

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. We may from time to time make forward-looking statements in our periodic reports to the U.S. Securities and Exchange Commission (or SEC), on Forms 20-F and 6-K, in our annual report to shareholders, in offering circulars and prospectuses, in press releases and other written materials, and in oral statements made by our officers, directors or employees to analysts, institutional investors, representatives of the media and others. Examples of such forward-looking statements include:

projections of operating revenues, net income (loss), net income (loss) per share, capital expenditures, indebtedness levels, dividends, capital structure or other financial items or ratios;

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

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

competitive developments in the telecommunications sector in each of the markets where we currently operate or into which we may expand;

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, forecast, guideline, should, 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 in our 2011 Form 20-F, include economic and political conditions and government policies in Mexico, Brazil or 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.

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.

You should evaluate any statements made by us in light of these important factors.

Table of Contents

OPERATING AND FINANCIAL REVIEW AS OF JUNE 30, 2012 AND FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011

The following is a summary and discussion of our results of operations for the six months ended June 30, 2012 and 2011 and our financial condition as of June 30, 2012. The following discussion should be read in conjunction with our audited annual consolidated financial statements, which are included in our 2011 Form 20-F.

In the opinion of our management, the unaudited interim financial information discussed below includes all adjustments, consisting only of normal and recurring adjustments, necessary for the fair presentation of this financial information in a manner consistent with the IFRS presentation made in the annual audited consolidated financial statements included in our 2011 Form 20-F, except as discussed below under *Changes in Presentation of Financial Results*. Results of operations for the six months ended June 30, 2012 are not, however, necessarily indicative of results to be expected for the full year.

The comparability of our results for the six months ended 2012 relative to our results for the six months ended 2011 is affected by the following two factors:

Changes in Presentation of Financial Results Beginning in 2012, we present our operating revenues without deducting commissions paid to distributors for the activation of new subscriptions. These commissions are now presented as expenses, while previously they were deducted in determining net operating revenues.

Consolidation of Net Serviços We acquired control of a majority of the voting equity of Net Serviços de Comunicação (Net Serviços), a provider of Pay TV services in Brazil, in the first quarter of 2012. We began consolidating Net Serviços from January 1, 2012, and, accordingly, the data presented below for the six months ended June 30, 2012 consolidate the results of Net Serviços. Prior to January 1, 2012, we accounted for Net Serviços using the equity method; therefore in our income statement, our share of its net profits was recorded under equity in net income of associated companies.

Condensed Consolidated Financial Data of América Móvil

The following tables set forth our condensed consolidated financial data as of June 30, 2012 and December 31, 2011 and for the six months ended June 30, 2012 and 2011.

References herein to U.S.\$ are to U.S. dollars. References herein to Mexican pesos or Ps. are to Mexican pesos. U.S. dollar amounts in the tables are presented solely for convenience, using the exchange rate of Ps.13.6652 to U.S.\$1.00, which was the rate reported by Banco de México for June 30, 2012, as published in the Official Gazette of the Federation (*Diario Oficial de la Federación*). You should not construe these translations or any other currency translations included herein as representations that the nominal Mexican peso amounts actually represent the U.S. dollar or other foreign currency amounts or could be converted into U.S. dollars or such other foreign currency at the rate used or indicated.

Table of Contents

	For the six months ended June 30,		
	2011	2012	2012
	(in thousands of Mexican pesos)		(in millions of
	(unaudited)	(unaudited)	U.S. dollars) (unaudited)
Income Statement Data			
Operating revenues:			
Mobile voice services	Ps. 135,033,282	Ps. 144,667,912	U.S.\$ 10,587
Fixed voice services	68,097,495	63,940,983	4,679
Mobile data voice services	47,412,702	66,040,328	4,833
Fixed data services	34,781,691	41,366,009	3,027
Paid television	7,448,052	28,230,143	2,066
Other services	23,161,453	39,991,403	2,927
Total operating revenues	315,934,675	384,236,778	28,119
Operating costs and expenses:			
Cost of sales and services	133,064,342	167,987,872	12,293
Commercial, administrative and general expenses	58,972,723	81,690,528	5,978
Other expenses	1,886,241	1,569,601	115
Depreciation and amortization	45,098,332	51,853,940	3,795
Total operating costs and expenses	239,021,638	303,101,941	22,181
Operating income	76,913,037	81,134,837	5,936
Interest income	3,066,258	3,147,578	230
Interest expense	(9,571,394)	(12,368,102)	(905)
Exchange gain, net	6,491,251	3,193,618	234
Valuation of derivatives and other financial items, net	(4,305,375)	(5,368,465)	(393)
Equity in net income of associated companies	1,298,514	(64,071)	(5)
Profit before income tax	73,895,291	69,675,395	5,097
Income tax	23,143,913	23,486,573	1,719
Net profit for the period	Ps. 50,751,378	Ps. 46,188,822	U.S.\$ 3,378
Comprehensive income for the period attributable to:			
Equity holders of the parent	Ps. 47,661,868	Ps. 45,891,291	U.S.\$ 3,356
Non-controlling interest	3,089,510	297,531	22
	Ps. 50,751,378	Ps. 46,188,822	U.S.\$ 3,378

Table of Contents

	At December 31, 2011	At June 30, 2012 (in millions of	
	(in thousands of Mexican pesos) (audited)	(unaudited)	U.S. dollars) (unaudited)
Balance Sheet Data			
Total current assets	Ps. 240,277,267	Ps. 222,642,933	U.S.\$ 16,293
Total non-current assets	705,339,594	769,002,464	56,275
 Total assets	 945,616,861	 991,645,397	 72,568
Total current liabilities	262,758,431	263,638,723	19,296
Long-term debt	353,975,487	400,944,127	29,341
Deferred taxes	16,751,716	22,237,351	1,627
Deferred revenues	3,175,796	1,055,589	77
Employee benefits	13,315,736	12,958,853	948
 Total liabilities	 649,977,166	 700,834,643	 51,289
Equity:			
Capital stock	96,419,636	96,416,312	7,056
Retained earnings:			
Prior periods	81,198,952	130,752,723	9,568
Profit for the period	82,853,529	45,891,291	3,356
 Total retained earnings	 164,052,481	 176,644,014	 12,924
 Other comprehensive income items	 25,168,067	 7,061,881	 517
 Equity attributable to equity holders of the parent	 285,640,184	 280,122,207	 20,497
 Non-controlling interests	 9,999,511	 10,688,547	 782
 Total equity	 295,639,695	 290,810,754	 21,279
 Total liabilities and equity	 Ps. 945,616,861	 Ps. 991,645,397	 U.S.\$ 72,568

Table of Contents

Consolidated Results of Operations for the First Six Months of 2012 and 2011

Our international operations account for an important portion of our revenues, and currency variations between the Mexican peso and the currencies of our non-Mexican subsidiaries, especially the Brazilian real, 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 international operations for both periods. We believe this additional information helps investors better understand the performance and contribution to our consolidated results of our non-Mexican operations.

Operating Revenues

Operating revenues for the first six months of 2012 increased by 21.6%, or Ps.68.3 billion, over the first six months of 2011. At constant exchange rates and excluding the effects resulting from the consolidation of Net Serviços and the change in classification of commissions starting in the first quarter of 2012, operating revenues for the first six months of 2012 increased by 7.7% over the first six months of 2011. The increase was attributable to increases in revenues from our mobile data and mobile voice operations and paid television services.

Mobile Voice Mobile voice revenues for the first six months of 2012 increased by 7.1%, or Ps.9.6 billion, over the first six months of 2011 and grew in all of the countries in which we operate except Mexico and Brazil. At constant exchange rates, mobile voice revenues increased by 2.6% over the first six months of 2011. The increase was principally due to an increase in traffic and the introduction of plans with more monthly airtime, partially offset by reductions in interconnection rates charged to other telecommunications providers.

Fixed Voice Fixed voice revenues for the first six months of 2012 decreased by 6.1%, or Ps.4.2 billion, from the first six months of 2011. At constant exchange rates and excluding the effects resulting from the consolidation of Net Serviços and the change in classification of commissions starting in the first quarter of 2012, fixed voice revenues decreased by 6.2% over the first six months of 2011. The decrease was principally due to a decrease in long distance traffic and lower interconnection rates, principally in Mexico and Brazil.

Mobile Data Mobile data revenues for the first six months of 2012 increased by 39.3%, or Ps.18.6 billion, over the first six months of 2011. At constant exchange rates, mobile data revenues increased by 33.1% over the first six months of 2011. The increase was principally due to increased use of value-added services, including SMS messaging and web browsing and content downloading on handsets, tablets and notebooks.

Fixed Data Fixed data revenues for the first six months of 2012 increased by 18.9%, or Ps.6.6 billion, over the first six months of 2011. At constant exchange rates and excluding the effects resulting from the consolidation of Net Serviços and the change in classification of commissions starting in the first quarter of 2012, fixed data revenues increased by 6.2% over the first six months of 2011. The increase was attributable to residential subscriber and broadband services growth, including growth of corporate data services.

Paid Television Paid television revenues for the first six months of 2012 increased by 279.0%, or Ps.20.8 billion, over the first six months of 2011. At constant exchange rates and excluding the effects resulting from the consolidation of Net Serviços and the change in classification of commissions starting in the first quarter of 2012, paid television revenues increased by 24.6% over the first six months of 2011. The increase was principally due to increased use of our services as a result of the introduction of new plans, especially in Brazil, and subscriber growth in our operations in Brazil, Peru, the Dominican Republic and Ecuador.

Other services Revenues from other services for the first six months of 2012 increased by 72.7% (or approximately 9.7% excluding the effects resulting from the consolidation of Net Serviços and the change in classification of commissions in the first quarter of 2012) over the first six months of 2011. The increase was principally due to an increase in equipment sales.

Table of Contents

Operating Costs and Expenses

Cost of sales and services Cost of sales and services for the first six months of 2012 increased by 26.2% from the first six months of 2011, representing 43.7% of operating revenues compared to 42.1% of operating revenues for the first six months of 2011. The Ps.34.9 billion increase for the first six months of 2012 reflects growth in both cost of services and cost of equipment, as well as the consolidation of Net Serviços starting in the first quarter of 2012.

Cost of services was Ps.115.6 billion for the first six months of 2012 and Ps.90.5 billion for the first six months of 2011, an increase of 27.7%. The Ps.25.1 billion increase was principally due to the consolidation of Net Serviços starting in the first quarter of 2012 and to growth in our value added services and paid television businesses, increased content charges, increased government fees and higher network maintenance, real estate leasing, electrical energy and labor costs.

Cost of equipment was Ps.52.3 billion for the first six months of 2012 and Ps.42.5 billion for the first six months of 2011, an increase of 23.1%. The Ps.9.8 billion increase primarily represents the cost of handsets, accessories and computers sold to customers as a result of the introduction of new plans that include more expensive equipment offered to customers.

Commercial, administrative and general expenses Commercial, administrative and general expenses for the first six months of 2012 increased by 38.5% over the first six months of 2011, representing 21.3% of operating revenues for the first six months of 2012 and 18.7% of operating revenues for the first six months of 2011. The increase principally reflected the change in classification of commissions paid to distributors, which, as explained above, starting in the first quarter of 2012 are presented as expenses. In addition, the increase in commercial, administrative and general expenses reflected an increase in costs for advertising, customer care centers, including an expansion of physical customer care centers, and call center services.

Depreciation and amortization Depreciation and amortization for the first six months of 2012 increased by Ps.6.8 billion, or 15.0%, over the first six months of 2011. As a percentage of revenues, depreciation and amortization for the first six months of 2012 decreased slightly to 13.5% compared to 14.3% for the first six months of 2011.

Operating Income

Operating income for the first six months of 2012 increased by 5.5% over the first six months of 2011.

Operating margin (operating income as a percentage of operating revenues) for the first six months of 2012 was 21.1% compared to 24.3% for the first six months of 2011. The decrease in our operating margin for the first six months of 2012 was due principally to higher costs for subscriber acquisition, acquisition of content and programming for the offering of Pay TV services, network maintenance, airtime resale, customer service, advertisement and royalty payments under our concessions and licenses.

Net Interest Expense

Net interest expense (interest expense less interest income) for the first six months of 2012 increased by 41.7%, or Ps.2.7 billion, over the first six months of 2011, attributable to a higher level of net debt.

Exchange Gain, Net

We recorded an exchange gain, net of Ps.3.2 billion for the first six months of 2012, compared to an exchange gain, net of Ps.6.5 billion for the first six months of 2011. The exchange gain, net in both periods was primarily attributable to depreciation of the U.S. dollar against various currencies, particularly the Mexican peso, which occurred to a smaller extent in 2012 than in 2011.

Valuation of Derivatives and Other Financial Items, Net

We recognized a net fair value loss and other financial expenses of Ps.5.4 billion for the first six months of 2012, compared to a loss of Ps.4.3 billion for the first six months of 2011. This item principally reflected changes in the valuation of derivative instruments.

Table of Contents**Income Tax**

Our effective rate of provisions for corporate income tax as a percentage of profit before income tax was 33.7% for the first six months of 2012, compared to 31.3% for the first six months of 2011.

Net Profit

We recorded net profit of Ps.46.2 billion for the first six months of 2012, a decrease of Ps.4.6 billion, or 9.0%, over the first six months of 2011, primarily reflecting the increase in net interest expense and a smaller exchange gain, net.

Liquidity and Capital Resources

As of June 30, 2012, we had net debt (total debt minus cash and cash equivalents) of Ps.361.7 billion, compared to Ps.321.5 billion at December 31, 2011. As of June 30, 2012, cash and cash equivalents amounted to Ps.62.4 billion, compared to Ps.59.1 billion as of December 31, 2011.

Our total indebtedness as of June 30, 2012 was Ps.424.1 billion, of which Ps.23.2 billion was short-term debt (including the current portion of long-term debt). Without considering the effect of hedging instruments that we use to manage our interest rate and foreign exchange exposures, approximately Ps.208.5 billion, or 49%, of our total indebtedness as of June 30, 2012 was denominated in U.S. dollars. Approximately Ps.108.3 billion, or 26%, of our total indebtedness at that date, bore interest at variable rates, while the approximately Ps.315.8 billion, or 74%, bore interest at fixed rates.

The maturities of our long-term debt as of June 30, 2012 were as follows:

Years	Amount (in millions of Mexican pesos)
2013	Ps. 14,514
2014	56,977
2015	39,793
2016	65,741
2017	32,871
2018 and thereafter	191,049
Total	Ps. 400,944

We regularly assess our interest rate and foreign exchange exposures, and we often manage those exposures by using derivative financial instruments.

During the first six months of 2012, we used approximately Ps.53.2 billion to fund capital expenditures and Ps.93.7 million to pay dividends. We have also continued to repurchase shares of our capital stock under our share repurchase program; and during the first six months of 2012, we repurchased approximately 795 million Series L shares and 3.5 million Series A shares for aggregate purchase price of Ps.12,674 million.

We expect to repay approximately U.S.\$1.6 billion (Ps.21,864 million) and 1.2 billion (Ps.21,095 million) outstanding under our existing revolving credit facilities during the second half of 2012.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratios of earnings to fixed charges for the six months ended June 30, 2012, in accordance with IFRS.

Six months ended
June 30, 2012
6.1

- (1) Earnings, for this purpose, consist of profit before income tax, plus interest expense and interest implicit in operating leases, minus equity interest in net income of affiliates, during the period.

Table of Contents

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: July 30, 2012

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