PUROFLOW INC
Form 10QSB
June 16, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 2003 **Commission File Number 0-5622**

PUROFLOW INCORPORATED

(Exact name of small business issuer as specified in its charter)

DELAWARE	13-1947195
(State or other jurisdiction of incorporation or organization)	(IRS Employer identification No.)
One Church Street, Suite 302 Rockville MD	20850
(Address of principal executive offices)	(ZIP Code)

Issuer's telephone number, including area code: (301) 315-0027

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

Common Stock	Shares outstanding
Common Stock, $.15 Par Value	1,798,071 as of June 9, 2003

Transitional Small Business Disclosure Format (Check One): Yes

o No x

PART I.
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PUROFLOW INCORPORATED

Condensed Consolidated Balance Sheets
(Unaudited)

	April 30, 2003	January 31, 2003
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 9,992,000	$ 265,000
Accounts receivable, net of allowance for doubtful accounts of $35,000 at April 30, 2003 and $35,000 at January 31, 2003	1,366,000	1,160,000
Inventories	1,806,000	1,655,000
Deferred tax benefit	145,000	145,000
Prepaid expenses and other current assets	143,000	122,000
TOTAL CURRENT ASSETS	13,452,000	3,347,000
PROPERTY & EQUIPMENT		
Leasehold improvements	317,000	291,000
Machinery and equipment	3,700,000	3,706,000
Tooling and dies	434,000	401,000
	4,451,000	4,398,000
Less accumulated depreciation and amortization	3,797,000	3,730,000

NET PROPERTY AND EQUIPMENT	654,000	668,000
Deferred tax benefit	590,000	590,000
Other assets	4,000	30,000
TOTAL ASSETS	$ 14,700,000	$ 4,635,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 414,000	$ 327,000
Line of credit	107,000	120,000
Accrued expenses	552,000	176,000
Notes payable, current	22,000	62,000
Current portion of capital lease obligation	5,000	7,000
TOTAL CURRENT LIABILITIES	1,100,000	692,000
Long-term debt	132,000	146,000
STOCKHOLDERS' EQUITY:		
Preferred stock, par value $.10 per share, authorized - 500,000 shares - Issued - none	-	-
Common stock, par value $.15 per share, authorized - 12,000,000 shares -issued 1,801,304 shares at April 30, 2003 and 497,536 shares at January 31, 2003 and, outstanding - 1,798,071 shares at April 30, 2003 and 494,303 shares at January 31, 2003	270,000	74,000
Warrants outstanding	849,000	-
Additional paid-in capital	14,096,000	5,502,000
Accumulated deficit	(1,714,000)	(1,740,000)
Notes receivable from stockholders	-	(6,000)
Treasury stock at cost, 3,233 shares at April 30, 2003 and January 31, 2003	(33,000)	(33,000)
TOTAL STOCKHOLDERS' EQUITY	13,468,000	3,797,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 14,700,000	$ 4,635,000

See accompanying notes to the condensed consolidated financial statements.

PUROFLOW INCORPORATED

Condensed Consolidated Statements of Operations

(Unaudited)

	Three Months Ended April 30, 2003	Three Months Ended April 30, 2002
Net sales	$ 1,690,000	$ 1,624,000
Cost of goods sold	1,132,000	1,113,000
Gross profit	558,000	511,000
Selling, general and administrative expenses	509,000	423,000
Operating income	49,000	88,000
Interest expense	(2,000)	(7,000)
Other income (expense)	(4,000)	54,000
Income before income taxes	43,000	135,000
Provision for income taxes	17,000	10,000
Net Income	$ 26,000	$ 125,000
Earnings per share:		
Basic earnings per share	$ 0.05	$ 0.25
Diluted earnings per share	$ 0.05	$ 0.25
Weighted average number of shares:		
Basic	524,000	494,000
Diluted	526,000	495,000

See accompanying notes to the condensed consolidated financial statements.

PUROFLOW INCORPORATED

Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended April 30, 2003	Three Months Ended April 30, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 26,000	$ 125,000

Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	67,000	44,000
Changes in operating assets and liabilities:		
Accounts receivable	(206,000)	(88,000)
Inventories	(151,000)	61,000
Prepaid expenses and other current assets	(21,000)	32,000
Accounts payable & accrued expenses	75,000	(34,000)
Net cash provided by / (used for) operating activities	(210,000)	140,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(53,000)	(76,000)
Net cash used for investing activities	(53,000)	(76,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from private placement of common stock	10,059,000	-
Principal payments on notes payable	(55,000)	(9,000)
Principal payments on credit line	(12,000)	(5,000)
Principal payments on capital lease	(2,000)	-
Net cash provided by / (used for) financing activities	9,990,000	(14,000)
NET INCREASE (DECREASE) IN CASH	9,727,000	50,000
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	265,000	123,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 9,992,000	$ 173,000
Supplemental disclosure of non-cash financing activities:		
Issuance of warrants	$ 849,000	$ -

See accompanying notes to the condensed consolidated financial statements.

PUROFLOW INCORPORATED

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1- ORGANIZATION AND BASIS OF PRESENTATION

The condensed consolidated balance sheets as of April 30, 2003, and the condensed consolidated statements of operations and statements of cash flows for the three months ended April 30, 2003 and 2002, respectively, are unaudited. In the opinion of management, the accompanying financial statements contain all adjustments considered necessary to present fairly the financial position of the Company as of April 30, 2003 and the results of its operations and cash flows for the periods presented. The Company prepares its interim financial information using the same accounting principles as it does for its annual financial statements.

These financial statements do not include all disclosures associated with annual financial statements and, accordingly, should be read in conjunction with the footnotes contained in the Company's consolidated financial statements for the year ended January 31, 2003, together with the auditors' report, included in the Company's Annual Report contained in Form 10-KSB, as filed with the Securities and Exchange Commission. The results of operations for any interim period are not necessarily indicative of the results of operations for any other interim period or for a full fiscal year.

Cash and equivalents

-- Cash and equivalents include cash balances on deposit in banks, overnight investments in mutual funds, and other financial instruments having an original maturity of three months or less. For purposes of the condensed consolidated financial statements of cash flow, the Company considers these amounts to be cash equivalents.

NOTE 2 - INVENTORIES

Inventories at April 30, 2003 and January 31, 2003 consisted of:

	April 30, 2003	January 31, 2003
Raw materials and purchased parts	$ 1,118,000	$ 1,054,000
Work in process	233,000	240,000
Finished goods and assemblies	455,000	361,000
Totals	$ 1,806,000	$ 1,655,000

NOTE 3 -- PRIVATE OFFERING OF COMMON STOCK

On April 29, 2003 the Company completed a private offering of approximately 1,304,000 shares of common stock at a price of $7.75 per share. The proceeds of approximately $10,106,000 will be reduced by offering costs of $454,000. The net proceeds will be used for acquisitions in growth-oriented industries and for working capital. The private offering was approved by shareholder vote on April 15, 2003.

In connection with consummation of the private offering, the Company granted an aggregate of 230,000 warrants to purchase common stock at a strike price of $7.75. The warrants are fully vested and have been recorded as a reduction of the proceeds from the offering.

NOTE 4 - EARNINGS PER SHARE:

Basic earnings per share are computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflect the maximum dilution that would have resulted from the exercise of stock options and warrants. Diluted earnings per share are computed by dividing net income by the weighted average of common shares and all dilutive securities.

	INCOME	SHARES	PER-SHARE AMOUNT
3 Months Ended April 30, 2003			
Basic earnings per share	$ 26,000	524,000	$ 0.05
Effect of Dilutive Securities - Stock options		2,000	
Diluted earnings per share	$ 26,000	526,000	$ 0.05
3 Months Ended April 30, 2002			
Basic earnings per share	$ 125,000	494,000	$ 0.25
Effect of Diluted Securities - Stock options		1,000	
Diluted earnings per share	$ 125,000	495,000	$ 0.25

NOTE 5 -- DEBT

The Company maintains a revolving credit line of $1,000,000 with an interest rate of prime plus 0.25% per annum that is secured by the Company's accounts receivable and inventories and consists of two revolving credit agreements with one bank. One agreement is a $250,000 term note that is payable over four years and expires in March 2006, and the other is a $750,000 line of credit that expires in June 2003. The terms of these loan agreements contain certain restrictive covenants, including maintenance of: (i) aggregate net worth (plus subordinated debt, less any intangible assets and less any amount due from shareholders, officers and affiliates of the Company) of not less than $3,500,000; (ii) a ratio of current and non-current liabilities (less subordinated debt) to net worth of not more than 0.50 to 1.00; (iii) working capital of not less than $2,000,000 and a minimum fixed charge coverage ratio of 1.25 to 1.00. Subsequent to April 30, 2003 the Company determined not to extend the debt agreements and paid the outstanding principal and interest.

NOTE 6 -- RECENT ACCOUNTING PRONOUNCEMENTS

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation -- Transition and Disclosure." SFAS No. 148 amends SFAS No. 123, "Accounting for Stock-Based Compensation" to provide two additional alternative transition methods if a company voluntarily decides to change its method of accounting for stock-based employee compensation to the fair-value method. SFAS No. 148 also amends the disclosure requirements of SFAS No. 123 by requiring that companies make quarterly disclosures regarding the pro forma effects of using the fair-value method of accounting for stock-based compensation, effective for the Company's 2004 fiscal year. For the three months ended April 30, 2002 and 2003, the pro forma effect of stock options using the fair-value method was not significant with respect to the Company's results of operations.

NOTE 7 -- SUBSEQUENT EVENT

Subsequent to April 30, 2003, the Company signed a letter of intent to purchase Southern Maryland Cable, Inc. The consummation of the proposed transaction is contingent upon completion of due diligence analysis, the signing of a definitive purchase and sale agreement, approval of both companies' boards of directors and other conditions.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Form 10-QSB contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Investors are cautioned that all forward-looking statements involve risks and uncertainty, (including without limitation, the Company's future gross profit, selling, general and administrative expenses, the Company's financial position, working capital and variances in the Company's operations, as well as general market conditions) though the Company believes that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore, there can be no assurance that the forward-looking statements included in this Form 10-QSB will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives and plans of the Company will be achieved.

The Company provides a broad range of products for original equipment manufacturers, foreign and domestic military users, government direct, automotive and aviation aftermarket users as well as a number of commercial and industrial applications. These applications include military, commercial and general aviation fixed wing and rotary wing vehicles, rockets, launch vehicles, satellites, surface and subsurface vessels, automotive airbag, launch complex installations, and liquid gas manufacturers, to name a few.

Results of Operations for the Three Months Ended April 30, 2003 and April 30, 2002

Net Sales

Net sales were $1,690,000 for the three months ended April 30, 2003 compared to $1,624,000 for the three months ended April 30, 2002. The 4.1% increase is due primarily to cleaning and miscellaneous filter revenue. The market for filters remains soft.

Gross Margin

Gross margin was $558,000 or 33.0% of net sales for the three months ended April 30, 2003 compared to $511,000 or 31.5% of net sales for the three months ended April 30, 2002. The 1.5% increase in gross margin was attributable to the favorable absorption of overhead associated with the higher volume of product shipped.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $509,000 or 30.1% of net sales for the three months ended April 30, 2003 compared to $423,000 or 26.0% of net sales for the three months ended April 30, 2002. The increase is primarily due to increases in general and administrative expenses which were related to corporate and recruiting costs.

Operating Income

Operating income was $49,000 or 2.9% of net sales for the three months ended April 30, 2003 compared to $88,000 or 5.4% of net sales for the three months ended April 30, 2002. The $39,000 decrease in operating income is attributable to the higher general and administrative costs which were, in part, offset by increased margin dollars during the quarter.

Other Income(Expense) / Interest Expense

Other expense was $4,000 for the three months ended April 30, 2003 compared to $54,000 for the three months ended April 30, 2002. The decrease in other income was due to an early exit payment made during the three months ended April 30, 2002 by the Company's former landlord for the relocation of the organization. Interest expense was $2,000 for the three months ended April 30, 2003 compared to $7,000 for the three months ended April 30, 2002. The decrease in interest expense was due to the Company maintaining a lower balance in its line of credit which resulted in lower interest charges.

Income Taxes

The provision for income taxes was $17,000 for the three months ended April 30, 2003 as compared to $10,000 for the three months ended April 30, 2002. The Company's effective rate was 40% for the three months ended April 30, 2003 compared to 7.4% for the three months ended April 30, 2002.

Liquidity and Capital Resources

At April 30, 2003 and January 31, 2003, the Company had $9,992,000 and $265,000 respectively available in cash and cash equivalents. The Company completed a private offering of approximately 1,304,000 shares of common stock at a price of $7.75 per share. The proceeds which aggregated approximately $10,106,000 will be used for acquisitions in growth-oriented industries and for working capital. The net proceeds of this offering are expected to be reduced by offering expenses of approximately $480,000.

Net cash used for operations for the three months ended April 30, 2003 was $210,000 compared with $140,000 in cash provided by operations for the three months ended April 30, 2002. The decrease in cash provided by operations is due to an increase in accounts receivable at April 30, 2003 at a rate greater than the increase in consolidated sales. A significant customer made a $200,000 payment in May 2003. The Company also experienced a lower level of income from operations for the three months ended April 30, 2003 compared to the same period a year ago.

Cash used for investing activities of $53,000 reflects the upgrade of computer systems throughout the organization and leasehold improvements made to the facility.

Net cash provided by financing activities was $9,990,000 compared to net cash used for financing activities of $14,000 for the same period one year ago. The aforementioned private offering offset $67,000 used to pay various credit facilities in the current year.

With its present capital resources and cash flow from operations, the Company believes they should have sufficient resources to meet its operating needs for the next twelve months and to provide for debt maturities and capital expenditures. The Company is in compliance with all of its debt covenants and will pay both the term facility and the revolving line of credit. Currently in order to expand its access to senior credit, the Company is in negotiations to establish lines of credit with another bank.

Critical Accounting Policies

Management is required to make judgments, assumptions and estimates that affect the amounts reported when we prepare financial statements and related disclosures in conformity with generally accepted accounting principals. Note 1 to the consolidated financial statements in our Annual Report on Form 10-KSB for the fiscal year ended January 31, 2003 describes the significant accounting policies and methods used in the preparation of our condensed consolidated financial statements. Estimates are used for, but not limited to, our accounting for contingencies, allowance for doubtful accounts, valuation allowances for deferred tax assets and inventory reserves. Actual results could differ from these estimates. The following critical accounting policies are impacted significantly by judgments, assumptions, and estimates used in the preparation of our condensed consolidated financial statements.

Revenue Recognition

Our net sales are primarily derived from manufacturing of filters for a wide range of customers. Revenue from manufacturing is recognized upon shipment of the filters.

Long Lived Assets

The Company periodically evaluates the net realizable value of long lived assets including property and equipment, relying on a number of factors including operating results, economic projections, and anticipated cash flows.

Inventory Reserves

The majority of our inventory purchase commitments are based upon demand forecasts that our customers provide us. Customers frequently make changes to their forecasts, thereby often requiring that we make changes to our inventory purchases, commitments, and production schedules and may require us to cancel open purchase commitments with our vendors. This process may lead to on-hand inventory quantities and on-order purchase commitments that are in excess of the customer's revised needs, or parts that become obsolete before use in production.

We record inventory reserves for excess and obsolete inventories that we do not expect to be able to use in production or sell to third parties. We make judgments with respect to recording inventory reserves based on various factors such as the aging and anticipated future demand of the inventory.

Valuation Allowance for Deferred Tax Assets

The Company accounts for income taxes under the asset and liability method. The approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. Developing the Company's provision for income taxes requires significant judgment and expertise in federal and state income tax laws, regulations and strategies, including the determination of deferred tax assets and liabilities and, if necessary, any valuation allowances that may be required for deferred tax assets. The Company recorded a valuation allowance of $323,000 as of April 30, 2003 based on its forecast that future taxable income will, more likely than not be sufficient to realize the deferred tax asset amounts in excess of the valuation allowance. Management's judgments are subject to audit by tax authorities as well as the potential for Company results to vary from current estimates in future years.

ITEM 3. CONTROLS AND PROCEDURES

Within 90 days prior to the date of this report, the Company carried out an evaluation; under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934). Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that, as of the date of their evaluation, the Company disclosure controls and procedures are effective in timely alerting them to material information required to be included in the Company's periodic SEC reports. There have been no significant changes in the Company's internal controls, or in factors that could significantly affect these internal controls, subsequent to the date the Chief Executive Officer and the Chief Financial Officer completed their evaluation.

PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

On April 29, 2003, the Company sold 1,303,974 shares of its common stock in a private placement to a group of accredited investors. The private placement was exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to Section 4(2). The placement agent for the offering was Winslow, Evans & Crocker, Inc. The shares were sold for $7.75 each, for a total offering of $10,106,799. The placement agent received $40,000 for its services.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On April 15, 2003 the Special Meeting of Stockholders of Puroflow Inc. was held in Burbank, California. During this Special Meeting two proposals were voted and passed.

The two proposals voted on are as follows:

1) Proposal 1 to approve the issuance and sale by Puroflow, pursuant to a private placement of between 1.3 million and 2.6 million of the Company's non-registered shares of common stock at the price of $7.75 per share. This proposal was passed as follows:

Number of shares in favor:	289,352.80
Number of shares opposed:	2,740
Number of shares abstained:	3,597

2) Proposal 2 to amend the Company's 2001 Stock Option Plan to increase the total number of shares of common stock reserved for issuance to 250,000 shares. This proposal was passed as follows:

Number of shares in favor:	284,948.80
Number of shares opposed:	7,399
Number of shares abstained:	3,342

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a) Exhibits are numbered in accordance with the Exhibit Table of Item 601 of Regulation S-K:

Exhibit: 99.1 Certification of Chief Executive Officer

Exhibit: 99.2 Certification of Chief Financial Officer

b) Reports on Form 8-K:

None.

SIGNATURES

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

PUROFLOW INCORPORATED

June 13, 2003 By: /s/ Rainer Bosselmann

Rainer Bosselmann
Chairman of the Board

June 13, 2003 By: /s/ Arthur F. Trudel

Arthur F. Trudel
Chief Financial Officer

SARBANES-OXLEY ACT SECTION 302(a) CERTIFICATION

I, Rainer Bosselmann, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Puroflow Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrants board of directory (or persons performing the equivalent functions):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 13, 2003

By: /s/ Rainer Bosselmann

Rainer Bosselmann
Chairman of the Board

SARBANES-OXLEY ACT SECTION 302(a) CERTIFICATION

I, Arthur F. Trudel, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Puroflow Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a.

designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b. evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c. presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrants board of directory (or persons performing the equivalent functions):

a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: June 13, 2003

By: /s/ Arthur F. Trudel

Arthur F. Trudel
Chief Financial Officer

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Thousands

	Total(1)				
Country	**Sep'11**	**Jun'11**	**Var.%**	**Sep'10**	**Var.%**
Mexico	68,002	66,912	1.6%		

62,440

8.9%

Brazil

57,514

55,534

3.6%

48,767

17.9%

Chile

5,361

5,199

3.1%

4,385

22.3%

Argentina, Paraguay & Uruguay

20,123

19,733

2.0%

19,442

3.5%

Colombia

31,197

30,683

1.7%

28,641

8.9%

Ecuador

11,209

11,056

1.4%

10,328

8.5%

Colombia

31,197

30,683

1.7%

28,641

8.9%

Peru

10,756

10,376

3.7%

9,294

15.7%

Central America & The Caribbean

	18,021
	17,709
	1.8%
	16,883
	6.7%
USA	
	19,269
	18,754
	2.7%
	16,657
	15.7%
Total Wireless Lines	
	241,451
	235,957
	2.3%
	216,836
	11.4%

*Includes total subscribers of all companies in which América Móvil holds an economic interest; does not consider the date in which the companies started being consolidated. *Central America includes Panama in every table.*

3

Highlights

Relevant
Events

Subscribers

América Móvil
Consolidated

Mexican
Operations

Mexico
Telcel
Telmex

International
Operations

Mercosur
Claro Argentina
Claro Paraguay
Claro Uruguay
Claro Chile

Brazil
Claro
Embratel
NET

Andeans
Comcel Colombia
Telmex Colombia
Claro Ecuador
Claro Peru

Central America
Claro Guatemala
Claro El Salvador
Claro Nicaragua
Claro Honduras
Claro Panama

Caribbean
Claro Dominicana
Claro Puerto Rico
Claro Jamaica

USA
TracFone

Fixed Revenue Generating Units

57M RGUs, +13% YoY

We had 56.4 million revenue generating units (RGUs) at the end of September, 12.9% more than a year before. Our operations in the South Cone, which have shown high dynamism, registered an annual growth rate of 26.5%, with broadband accesses rising 28.7% and PayTV subscriptions 32.4%.

22M RGUs in Brazil

At the end of the period, we had almost as many RGUs in Brazil as in Mexico. Our fastest growing operations were Peru and Ecuador, which registered annual increases of 59.5% and 68.3%, respectively; followed by Brazil, 28.1%, and Chile, 27.4 %.

Fixed-Line and Other Accesses (RGUs) as of September 2011

Thousands

	Total*				
Country	**Sep'11**	**Jun'11**	**Var.%**	**Sep'10**	**Var.%**
Mexico	22,950	22,934	0.1%	22,796	0.7%
Brazil	22,279	20,764	7.3%	17,515	27.2%
Colombia	3,400	3,240	4.9%	2,939	15.7%
Ecuador	157	141	11.5%	93	68.3%
Peru	627	561	11.7%	393	59.5%

Argentina, Uruguay & Paraguay	275	248	11.2%	205	34.6%
Chile	1,014	979	3.5%	796	27.4%
Central America & Caribbean	5,729	5,625	1.8%	5,259	8.9%
Total RGUs	56,430	54,492	3.6%	49,995	12.9%

**Fixed Line, Broadband and Television (Cable & DTH)*

América Móvil Consolidated Results

Good economic momentum kept subscriber and top line growth of our Latin American operations at sound levels, with third quarter wireless net additions up nearly 10% over the second one—even though the second one had Mother's Day, the second best sales holiday in the year—and fixed-line Revenue Generating Units (RGUs) sticking to their 13% annual growth pace. Our greater 3G coverage and data capabilities allowed us to continue to expand our postpaid base twice as fast, 22%, as the prepaid one.

3Q Revenues +8% YoY

Our third quarter revenues were up nearly 8% from the prior year (8.6% at constant exchange rates) to 167 billion pesos buoyed by data services that expanded rapidly on both the mobile and fixed platforms and by PayTV revenues that climbed 58%. Mobile revenues increased 10.7% and fixed-line revenues 3.2%; in South America they were up 12.0% at constant exchange rates. Absolutely all our operations registered revenue increases from a year before, with growth rates in Colombia, Chile, Ecuador, and Peru in the teens and that of Argentina slightly above 20%. Revenues of our U.S. operation, Tracfone, continued to expand rapidly—35% year-on-year.

Growth in all revenue lines in South America

Our South American operations presented strong revenue increases across all product lines whereas Mexico, Central America and the Caribbean saw solid increases in mobile data revenues but continued declines in fixed-line voice revenues.

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Relevant
Events

Subscribers

América Móvil
Consolidated

Mexican
Operations

Mexico
Telcel
Telmex

International
Operations

Mercosur
Claro Argentina
Claro Paraguay
Claro Uruguay
Claro Chile

Brazil
Claro
Embratel
NET

Andeans
Comcel Colombia
Telmex Colombia
Claro Ecuador
Claro Peru

Central America
Claro Guatemala
Claro El Salvador
Claro Nicaragua
Claro Honduras
Claro Panama

Caribbean
Claro Dominicana
Claro Puerto Rico
Claro Jamaica

USA
TracFone

EBITDA up 1% YoY

Third quarter EBITDA was up 1.0% from the year-earlier quarter to 64 billion pesos as costs expanded more rapidly than revenues in Mexico and Brazil on account of work being done to expand the reach and capacity of fiber networks—including backbones, metropolitan rings, backhaul, fiber to the node and to the home and generally all the elements of IP-MPLS networks—of greater maintenance expenditures; of the accelerated growth of our postpaid base; and—in Brazil—of the costs associated with the development of PayTV services including the purchase of content. Whereas EBITDA declined 2.7% in Mexico, and around 7% in Brazil and the Caribbean, it expanded approximately 40% in Chile and the U.S., more than 20% in Peru and Colombia and between 10% and 20% in Argentina and Ecuador, with Central America's rising 8%.

3Q Net profit down 21% YoY on FX losses

We obtained an operating profit of nearly 40 billion pesos in the quarter and a net profit of 18.7 billion pesos. The latter was off 21% from the year before on account of foreign exchange losses registered in the quarter given the sharp depreciation of various currencies vis-à-vis the U.S. dollar and the fact that a portion of our net debt is exposed to dollars and other hard currencies. It is to be noted that a share of our revenues, approximately 12.5%, is dollar-based, coming from the U.S., Puerto Rico, El Salvador and Ecuador, with nearly 4.0% more coming from countries whose currency is pegged to the U.S. dollar, as is the case with most Central American countries. Exchange rate depreciations generate foreign exchange losses on the dollar exposure on the debt side but do not generate the corresponding gains on the expected stream of dollar-based revenues.

America Movil's Income Statement (IFRS)
Millions of Mexican pesos

	3Q11	3Q10	Var.%	Jan - Sep 11	Jan - Sep 10	Var.%
Net Service Revenues	152,306	141,728	7.5%	440,371	411,193	7.1%
Equipment Revenues	14,953	13,267	12.7%	42,822	38,831	10.3%
Total Revenues	167,258	154,995	7.9%	483,193	450,024	7.4%
Cost of Service	50,961	45,048	13.1%	141,493	126,121	12.2%
Cost of Equipment	22,701	20,779	9.3%	65,234	59,616	9.4%
Selling, General & Administrative Expenses	28,764	25,105	14.6%	85,642	75,298	13.7%
Others	883	759	16.3%	2,769	2,436	13.7%
Total Costs and Expenses	103,309	91,691	12.7%	295,138	263,470	12.0%
EBITDA	63,949	63,305	1.0%	188,054	186,553	0.8%
% of Total Revenues	38.2%	40.8%		38.9%	41.5%	
Depreciation & Amortization	23,738	21,706	9.4%	68,837	63,332	8.7%
Employee Profit Sharing	890	953	-6.7%	2,984	3,135	-4.8%
EBIT	39,321	40,645	-3.3%	116,234	120,086	-3.2%
% of Total Revenues	23.5%	26.2%		24.1%	26.7%	
Net Interest Expense	3,396	3,766	-9.8%	9,901	9,306	6.4%
Other Financial Expenses	-12,847	4,646	-376.5%	-8,544	10,897	-178.4%
Foreign Exchange Loss	22,185	-62	n.m.	15,694	-3,665	n.m.
Comprehensive Financing Cost (Income)	12,735	8,350	52.5%	17,051	16,538	3.1%
Income & Deferred Taxes	6,926	7,705	-10.1%	30,070	31,766	-5.3%
Net Income before Minority Interest and Equity Participation in Results of Affiliates	19,660	24,590	-20.0%	69,113	71,782	-3.7%
minus						
Equity Participation in Results of Affiliates	505	274	84.1%	1,804	632	185.5%
Minority Interest	-1,483	-1,158	-28.0%	-4,573	-6,577	30.5%
Net Income	18,682	23,706	-21.2%	66,344	65,836	0.8%

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Consolidated

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Mexico
Telcel
Telmex

International
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Mercosur
Claro Argentina
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Claro Uruguay
Claro Chile

Brazil
Claro
Embratel
NET

Andeans
Comcel Colombia
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Claro Ecuador
Claro Peru

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Claro Honduras
Claro Panama

Caribbean
Claro Dominicana
Claro Puerto Rico
Claro Jamaica

USA
TracFone

Balance Sheet (in accordance with IFRS)
América Móvil Consolidated
Millions of Mexican Pesos

	Sep '11	Dec '10	Var.%		Sep '11	Dec '10	Var%
Current Assets				***Current Liabilities***			
Cash & Securities	126,658	114,069	11.0%	**Short Term Debt****	41,928	9,039	363.9%
Accounts Receivable	122,988	98,486	24.9%	**Accounts Payable**	162,258	146,049	11.1%
Other Current Assets	17,375	13,206	31.6%	**Other Current Liabilities**	40,431	49,455	-18.2%
Inventories	28,868	26,082	10.7%		244,617	204,543	19.6%
	295,890	251,842	17.5%				
Non Current Assets							
Plant & Equipment	429,757	411,820	4.4%				
Investments in Affiliates	52,506	50,539	3.9%	***Non Current Liabilities***			
				Long Term Debt	332,065	312,083	6.4%
Deferred Assets				**Other Non Current Liabilities**	44,009	42,053	4.7%
Goodwill (Net)	72,134	70,919	1.7%		376,074	354,136	6.2%
Intangible	42,303	49,053	-13.8%				
Deferred Assets	69,957	60,651	15.3%	**Shareholder's Equity**	341,856	336,146	1.7%
Total Assets	962,547	894,825	7.6%	**Total Liabilities and Equity**	962,547	894,825	7.6%

YTD Revenues +7% YoY

Through September revenues totaled 483 billion pesos and EBITDA 188 billion pesos. They were up 7.4% and 0.8% respectively relative to the same period of 2010. Comprehensive financing costs—which include foreign exchange losses—came in at 17 billion pesos and were 3% higher than the prior year. Our net profit for the period, 66 billion pesos, rose at the same pace as EBITDA.

Capital outlays of MxP 134Bn

Net debt increased 40 billion pesos in the nine months to September to 247 billion pesos to help fund capital expenditures of 73 billion pesos, the purchase of minority interests in the aggregate amount of 5 billion pesos (in Net Serviços, Telmex Internacional and its subsidiary Star One), and share buybacks and dividends totaling 56 billion pesos. These outlays added up to 134 billion pesos.

Financial Debt of América Móvil*

Millions of U.S. Dollars

	Sep-11	Dec-10
Peso Denominated Debt	**5,529**	**6,362**
Bonds and other securities	5,525	6,359
Banks and others	4	4
U.S. Dollar - denominated debt	**14,116**	**11,930**
Bonds and other securities	11,998	9,250
Banks and others	2,118	2,679
Debt denominated in other currencies	**8,220**	**7,695**
Bonds and other securities	6,403	6,003
Banks and others	1,817	1,692
Total Debt	**27,865**	**25,987**

** This table does not include the effect of forwards and derivatives used to hedge the foreign exchange exposure*

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Andeans
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Claro Jamaica

USA
TracFone

Mexico

1.1M Wireless net adds in 3Q	We finished September with 90 million accesses in Mexico, of which 68 million were wireless subscribers. We added 1.1 million wireless clients in the third quarter, roughly as many as the previous year. Through September our wireless subscriber base had increased 9% year-on-year, with postpaid subs growing twice as fast. On the wireline platform RGUs were almost flat, +1% annually, as the decline in telephony lines offset for the most part the increase in fixed-broadband lines.
Revenues +2.5% YoY	Third quarter revenues were up 2.5% year-on-year to 63.5 billion pesos after factoring in the 70% effective reduction in mobile termination rates that took place in May (considering both the change in the rate itself and the elimination of the rounding of traffic billed to the next minute; it is now billed per second). Although part of the impact of this reduction had been incorporated previously, the third quarter was the first one reflecting the full impact of the change.
Wireless Data Revuenues +24% YoY	Compared to the year-earlier quarter, mobile revenues—which accounted for 59% of total revenues—increased 2.7% whereas fixed-line revenues declined 3.8%. Mobile revenues were driven by wireless data revenues, which rose 24.2%. On the fixed-line platform data revenues increased 5.4%, while voice revenues continued their decline.
EBITDA of MxP 32Bn	EBITDA totaled 32 billion pesos in the quarter. It was down 2.7% from the year-earlier quarter as a consequence of a) greater subscriber acquisition costs on the mobile platform, reflecting the rapid growth of gross subscriber additions, 9.9%, and the impact of the currency depreciation on the cost of handsets, and b) higher costs on the fixed line platform mostly associated with the deployment of more fiber links and the migration of existing clients from copper networks to fiber networks.
YTD EBITDA margin at 51.2%	Through September our revenues totaled 188 billion pesos and EBITDA 96 billion pesos, with revenues up 2.0% from the year before and EBITDA down 2.6%. The EBITDA margin for the first nine months of the year stood at 51.2%.

INCOME STATEMENT (IFRS)

México
Millions of MxP

	3Q11	3Q10	Var.%	Jan - Sep 11	Jan - Sep 10	Var.%
Total Revenues	**63,525**	**62,001**	**2.5%**	**187,900**	**184,254**	**2.0%**
Wireless Revenues	**37,434**	**36,440**	**2.7%**	**111,643**	**107,723**	**3.6%**
Fixed Line and Other Revenues	**27,456**	**28,549**	**-3.8%**	**81,973**	**85,426**	**-4.0%**
EBITDA	**32,002**	**32,894**	**-2.7%**	**96,198**	**98,808**	**-2.6%**
% total revenues	**50.4%**	**53.1%**		**51.2%**	**53.6%**	
EBIT	**25,269**	**25,761**	**-1.9%**	**75,448**	**76,854**	**-1.8%**
%	**39.8%**	**41.5%**		**40.2%**	**41.7%**	

**Total Revenues reflect eliminations derived from the overlap of fixed and mobile operations as well as intercompany transactions; Wireless Revenues and Fixed Line and Other Revenues only exclude intercompany transactions with foreign subsidiaries. The sum of the parts will not equal Total Revenues.*

Mexico Operating Data (IFRS)

	3Q11	3Q10	Var.%
Wireless Subscribers (thousands)	68,002	62,440	**8.9%**
Postpaid	7,104	5,996	**18.5%**
Prepaid	60,898	56,444	**7.9%**
MOU	221	211	**4.8%**
ARPU (MxP)	154	164	**-6.2%**
Churn (%)	3.2%	3.1%	**0.0**
Revenue Generating Units (RGUs)*	22,950	22,796	**0.7%**

* Fixed Line and Broadband

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Claro Jamaica

USA
TracFone

Argentina, Paraguay and Uruguay

20M accesses

Our combined operations in Argentina, Paraguay and Uruguay added 390 thousand wireless subscribers in the quarter (36.9% more than in 2010) and broke the 20 million-subscriber mark. Our subscriber base was 3.5% higher than in the precedent year. We also had 275 thousand RGUs, 34.6% more than a year before.

3Q Revenues +20% YoY

Revenues topped three billion Argentinean pesos in the quarter, and were up 20.4% relative to the prior year. The bulk of our revenues came from the wireless business that saw gross service revenues rise 21.5% as compared to the same period of 2010 (19.6% net of commissions). The increase of data revenues was key to bring about a surge of 18% in ARPU. Fixed line revenues were up 16.3% relative to the previous year.

3Q EBITDA +12% YoY

Third quarter EBITDA, 1.2 billion Argentinean pesos, was 11.6% above that of last year and the margin was equivalent to 39.6% of revenues, as the greater pace of subscriber growth resulted in higher subscriber acquisition costs.

YTD EBITDA margin at 41.2%

In the first nine months of the year our revenues totaled 8.7 billion Argentinean pesos and our EBITDA 3.6 billion Argentinean pesos; they rose at rates of 20.9% and 17.6%, respectively from the year before. The EBITDA margin was 41.2% for the period.

INCOME STATEMENT (IFRS)
Argentina, Paraguay & Uruguay
Millions of ARP

	3Q11	3Q10	Var.%	Jan - Sep 11	Jan - Sep 10	Var.%
Total Revenues	**3,031**	**2,518**	**20.4%**	**8,689**	**7,187**	**20.9%**
Wireless Revenues	**2,858**	**2,373**	**20.5%**	**8,185**	**6,776**	**20.8%**
Fixed Line and Other Revenues	**178**	**153**	**16.3%**	**516**	**434**	**19.1%**
EBITDA	**1,199**	**1,074**	**11.6%**	**3,583**	**3,048**	**17.6%**
% total revenues	**39.6%**	**42.7%**		**41.2%**	**42.4%**	

EBIT	**986**	**885**	**11.4%**	**2,970**	**2,489**	**19.3%**
%	**32.5%**	**35.1%**		**34.2%**	**34.6%**	

**Total Revenues reflect eliminations derived from the overlap of fixed and mobile operations as well as intercompany transactions; Wireless Revenues and Fixed Line and Other Revenues only exclude intercompany transactions with foreign subsidiaries. The sum of the parts will not equal Total Revenues.*

Argentina, Uruguay & Paraguay Operating Data (IFRS)

	3Q11	**3Q10**	**Var.%**
Wireless Subscribers (thousands)	20,123	19,442	**3.5%**
Postpaid	2,704	2,460	**9.9%**
Prepaid	17,419	16,982	**2.6%**
MOU	153	141	**8.8%**
ARPU (ARP)	46	39	**18.0%**
Churn (%)	2.4%	2.4%	**(0.0)**
Revenue Generating Units (RGUs)	275	205	**34.6%**

** Fixed Line and Broadband*

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Subscribers

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Consolidated

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Operations*

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Telcel
Telmex

*International
Operations*

Mercosur
Claro Argentina
Claro Paraguay
Claro Uruguay
Claro Chile

Brazil
Claro
Embratel
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Andeans
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Claro Jamaica

USA
TracFone

Brazil

Postpaid subs +29% YoY

Our Brazilian wireless operation, Claro, added 2.0 million subscribers in the third quarter –almost as many as it did the prior quarter—to finish September with 57.5 million subs, 17.9% more than a year before. Its postpaid base has grown twice as rapidly, 29%, as the prepaid one, reflecting among other things its relative strengths in coverage and data services. On the fixed-line platform, RGUs expanded 27%, with broadband and PayTV accesses increasing 25% and 41% respectively. Altogether we had 80 million accesses in the country at the end of September.

3Q Revenues +7% YoY

Third quarter revenues were up 7.3% year-on-year to 5.7 billion reais—with wireless revenues accounting for 55% of the total—as gross wireless service revenues climbed 7.1% and fixed-line revenues 8.7%. Data revenues were up 25.6% on the wireless platform and 3.6% on the fixed one while revenues from PayTV services (not including those from Net Serviços), doubled those of the same period of 2010 as the number of subscribers of Via Embratel—which offers satellite based PayTV services—surpassed the two million mark after less than two years in operation.

EBITDA margin at 26%

Our EBITDA totaled 1.5 billion reais or 26.2% of total revenues, having come down by 7.3% from the prior year. Costs and expenses increased more rapidly than revenues reflecting mostly subscriber acquisition costs of the satellite-based PayTV business Via Embratel; the costs of deploying more fiber throughout the country and of tying together the fixed and mobile networks in various cities, including Sao Paulo; of expanding our call centers to provide better support to all our clients (Claro, Via Embratel and Embratel), higher maintenance costs resulting from having larger networks; and the costs of purchasing content for PayTV services.

It has been America Movil's long standing policy that of expensing, and not capitalizing, all costs related to the supervision of construction works. Over time, some of the higher costs associated with our construction works should diminish and eventually disappear.

4Play in Brazil

We announced to our clients earlier in October the commercial integration of our three companies in Brazil: Claro, Embratel and Net Serviços. We expect to increasingly provide to our clients bundled products, including triple and cuadruple-play services.

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INCOME STATEMENT (IFRS)
Brazil
Millions of BrL

	3Q11	3Q10	Var.%	Jan - Sep 11	Jan - Sep 10	Var.%
Total Revenues	**5,736**	**5,345**	**7.3%**	**16,880**	**15,747**	**7.2%**
Wireless Revenues	**3,138**	**2,933**	**7.0%**	**9,162**	**8,693**	**5.4%**
Fixed Line and Other Revenues	**3,009**	**2,768**	**8.7%**	**8,890**	**8,186**	**8.6%**
EBITDA	**1,500**	**1,618**	**-7.3%**	**4,626**	**4,900**	**-5.6%**
% total revenues	**26.2%**	**30.3%**		**27.4%**	**31.1%**	
EBIT	**265**	**569**	**-53.5%**	**1,032**	**1,793**	**-42.4%**
%	**4.6%**	**10.6%**		**6.1%**	**11.4%**	

**Total Revenues reflect eliminations derived from the overlap of fixed and mobile operations as well as intercompany transactions; Wireless Revenuesand Fixed Line and Other Revenues only exclude intercompany transactions with foreign subsidiaries. The sum of the parts will not equal TotalRevenues.*

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Consolidated

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Operations

Mexico
Telcel
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International
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Mercosur
Claro Argentina
Claro Paraguay
Claro Uruguay
Claro Chile

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Claro
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Andeans
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USA
TracFone

Brazil Operating Data (IFRS)

	3Q11	3Q10	Var.%
Wireless Subscribers (thousands)	57,514	48,767	17.9%
Postpaid	*12,072*	*9,356*	*29.0%*
Prepaid	*45,441*	*39,410*	*15.3%*
MOU	109	100	8.8%
ARPU (BrL)	17	19	-11.0%
Churn (%)	4.0%	3.1%	0.9
Revenue Generating Units (RGUs) *	22,279	17,515	27.2%

** Fixed Line, Broadband and Television*

Colombia

514K net adds in 3Q

We added 514 thousand wireless subscribers in the third quarter, 46% more than the prior year, and finished September with 31.2 million wireless subscribers, 8.9% more than the year before. A third of the quarter's net adds were postpaid, and were seven times greater than in the same period of last year. We also had 3.4 million RGUs, which include 1.9 million PayTV units, and 811 thousand broadband accesses; the latter registered an annual increase of 38.5%.

Wireless Revenues +15% YoY

Revenues for the quarter were up 17.1% compared to the same period of 2010 to 2.2 trillion Colombian pesos. Wireless revenues, which still account for more than 80% of the country's revenues, increased 15.0% on an annual basis with gross service revenues rising 11.2% (10.8% after deducting commissions). The main driver of service revenue growth was data; it was up 27.3% year-over-year supporting ARPU that grew 1.4%. Wire-line revenues rose 16.3% in relation to the same period of 2010, with broadband revenues increasing 21.3%.

EBITDA rose 28% YoY

EBITDA of 1.1 trillion Colombian pesos in the quarter exceeded by 28.1% last year's figure. The quarter's margin, 49.0%, was 4.2 percentage points greater than that of 2010, partly as a result of important cost reductions, specially in the fixed line business.

YTD EBITDA margin at 48%, +2.6pp

In the nine months to September, revenues reached 6.3 trillion Colombian pesos and were 13.2% above those of 2010. EBITDA for the period was equivalent to 48.2% of revenues at three trillion Colombian pesos. EBITDA increased 19.5% in absolute terms and the margin expanded 2.6 percentage points.

5 MHz of additional spectrum

In August, the Ministry of Communications held a public auction and granted Comcel the use of an additional 5MHz of spectrum in the 1850 and 1990MHz band for a 10 year period.

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INCOME STATEMENT (IFRS)

Colombia
Billions of COP

	3Q11	3Q10	Var.%	Jan - Sept '11	Jan - Sept '10	Var.%
Total Revenues	**2,200**	**1,878**	**17.1%**	**6,299**	**5,565**	**13.2%**
Wireless Revenues	**1,812**	**1,576**	**15.0%**	**5,191**	**4,664**	**11.3%**
Fixed Line and Other Revenues	**362**	**311**	**16.3%**	**1,033**	**926**	**11.5%**
EBITDA	**1,078**	**842**	**28.1%**	**3,037**	**2,541**	**19.5%**
% total revenues	**49.0%**	**44.8%**		**48.2%**	**45.7%**	
EBIT	**772**	**639**	**20.8%**	**2,122**	**1,831**	**15.9%**
%	**35.1%**	**34.0%**		**33.7%**	**32.9%**	

**Total Revenues reflect eliminations derived from the overlap of fixed and mobile operations as well as intercompany transactions; Wireless Revenues and Fixed Line and Other Revenues only exclude intercompany transactions with foreign subsidiaries. The sum of the parts will not equal Total Revenues.*

Colombia Operating Data (IFRS)

	3Q11	3Q10	Var.%
Wireless Subscribers (thousands)	31,197	28,641	**8.9%**

Postpaid	4,578	4,066	**12.6%**
Prepaid	26,620	24,574	**8.3%**
MOU	202	199	**1.9%**
ARPU (COP)	16,928	16,686	**1.4%**
Churn (%)	3.5%	3.3%	**0.2%**
Revenue Generating Units (RGUs)*	3,400	2,939	**15.7%**

** Fixed Line, Broadband and Television*

Chile

Wireless subs, +22% YoY

We added 162 thousand wireless subscribers in the third quarter and finished September with 5.4 million subscribers, 22.3% more than a year ago. Our fixed RGUs, one million, increased somewhat faster, 27.4%, driven by the growth of broadband accesses.

Wireless Revenues up 25% YoY

Wireless revenues in the quarter were up 24.9% year-on-year to 92.9 billion Chilean pesos, with gross service revenues increasing 23.5%. Revenues stemming from data expanded 48.3% in an annual fashion and now represent 18% of our wireless service revenues. Fixed line revenues, which represent a third of the total, increased 13.5% and topped 46 billion Chilean pesos.

EBITDA margin at 7%, +1pp

Our EBITDA came in at 9.6 billion Chilean pesos in the quarter. It was 39.7% higher than a year before and the margin, at 7.1%, exceeded by one percentage point the one reported then.

YTD Revenues +18% YoY

Year-to-September revenues were 401.6 billion Chilean pesos, 18.2% more than in 2010, and our EBITDA 38.7 billion Chilean pesos having risen 43.3%. The EBITDA margin, 9.6%, was up 1.6 percentage points in the period.

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INCOME STATEMENT (IFRS)

Chile
Millions of ChP

	3Q11	3Q10	Var.%	Jan - Sep 11	Jan - Sep 10	Var.%
Total Revenues	**135,877**	**113,358**	**19.9%**	**401,564**	**339,599**	**18.2%**
Wireless Revenues	**92,898**	**74,369**	**24.9%**	**273,147**	**221,704**	**23.2%**
Fixed Line and Other Revenues	**46,030**	**40,538**	**13.5%**	**135,771**	**121,992**	**11.3%**
EBITDA	**9,595**	**6,871**	**39.7%**	**38,716**	**27,026**	**43.3%**
% total revenues	**7.1%**	**6.1%**		**9.6%**	**8.0%**	
EBIT	**-28,237**	**-22,192**	**-27.2%**	**-71,065**	**-55,823**	**-27.3%**
%	**-20.8%**	**-19.6%**		**-17.7%**	**-16.4%**	

**Total Revenues reflect eliminations derived from the overlap of fixed and mobile operations as well as intercompany transactions; Wireless Revenues and Fixed Line and Other Revenues only exclude intercompany transactions with foreign subsidiaries. The sum of the parts will not equal Total Revenues.*

Chile Operating Data (IFRS)

	3Q11	3Q10	Var.%

Wireless Subscribers (thousands)	5,361	4,385	**22.3%**
Postpaid	998	720	**38.7%**
Prepaid	4,363	3,665	**19.0%**
MOU	203	184	**10.3%**
ARPU (ChP)	4,808	4,833	**-0.5%**
Churn (%)	4.9%	4.1%	**0.8**
Revenue Generating Units (RGUs)*	1,014	796	**27.4%**

** Fixed Line, Broadband and Television*

Ecuador

Postpaid net adds +30% YoY

We added 152 thousand wireless subscribers in the quarter, taking the total to Sep-tember to 584 thousand. Postpaid net adds were 29.6% higher than those of last year bringing our subscriber base to 1.6 million at the end of the quarter, 27.1% more than a year before whereas our total subscriber base, 11.2 million, rose 8.5% in the same time frame. On the fixed-line front, RGUs registered an annual expansion of 68.3% and finished September at 157 thousand. The number of fixed telephony accesses nearly doubled over the year, while broadband and PayTV units grew at a pace of around 50%.

3Q Revenues +16% YoY

Third quarter revenues rose 16.2% year-on-year to 354 million dollars. Wireless revenues were 15.8% above last year's with gross service revenues growing 13.5%. ARPU was up 5.3% over the precedent year supported by data that expanded 21.6%. On the fixed line platform, revenues posted an annual increase of 37.9% with PayTV the fastest growing revenue line.

EBITDA margin at 56%

Our EBITDA for the quarter was 197 million dollars, which is 17.5% more than in the third quarter of 2010. The EBITDA margin stood at 55.7%, slightly above that of the prior year.

YTD EBITDA +18% YoY

Our nine-month revenues, one billion dollars, were up 16.3% compared to 2010, while EBITDA of 563 million dollars, was up 18.4% year-on-year.

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INCOME STATEMENT (IFRS)

Ecuador
Millions of Dollars

	3Q11	3Q10	Var.%	Jan - Sept '11	Jan - Sept. '10	Var.%
Total Revenues	**354**	**305**	**16.2%**	**1,036**	**890**	**16.3%**
Wireless Revenues	**346**	**299**	**15.8%**	**1,014**	**875**	**15.8%**
Fixed Line and Other Revenues	**8**	**6**	**37.9%**	**24**	**16**	**48.1%**
EBITDA	**197**	**168**	**17.5%**	**563**	**475**	**18.4%**
% total revenues	**55.7%**	**55.1%**		**54.3%**	**53.4%**	
EBIT	**136**	**113**	**20.5%**	**380**	**312**	**21.7%**
%	**38.3%**	**37.0%**		**36.7%**	**35.0%**	

**Total Revenues reflect eliminations derived from the overlap of fixed and mobile operations as well as intercompany transactions; Wireless Revenuesand Fixed Line and Other Revenues only exclude intercompany transactions with foreign subsidiaries. The sum of the parts will not equal Total Revenues.*

Ecuador Operating Data (IFRS)

	3Q11	3Q10	Var.%
Wireless Subscribers (thousands)	11,209	10,328	**8.5%**
Postpaid	1,570	1,235	**27.1%**
Prepaid	9,639	9,093	**6.0%**
MOU	162	162	**0.0%**
ARPU (Usd)	9	8	**5.3%**
Churn (%)	1.9%	1.8%	**0.1**
Revenue Generating Units (RGUs)*	157	93	**68.3%**

Peru

380K wireless net adds in 3Q

Our wireless subscriber base reached 10.8 million after adding 380 thousand new clients in the third quarter—74% more than a year before—of which almost a third were postpaid. In the nine months to September, net additions totaled 1.1 million including 479 thousand new postpaid subs (twice as many as those gained in 2010). RGUs, 627 thousand, rose 59.5% from a year before.

Wireless Data Revenues +56%

We generated revenues of 927 million soles in the period, which were 16.8% greater than the year before. Wireless revenues grew at the same pace with gross service revenues increasing 17.0% boosted by data revenues that surged 55.6% year-over-year. Wire-line revenues rose 18.3% with broadband and PayTV revenues growing around 40% each.

EBITDA margin at 46%, +1.8pp

The quarter's EBITDA was up 21.6% on account of cost efficiency gains and overall lower subscriber acquisition costs. The EBITDA margin climbed 1.8 percentage points to 45.8%.

YTD EBITDA +21% YoY

In the first nine months of the year, revenues reached 2.6 billion soles registering an annual increase of 16.2%. EBITDAcame in at 1.2 billion soles which is equivalent to 46.3% of revenues. It was up 20.9% and the margin was 1.8 percentage points above last year's

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INCOME STATEMENT (IFRS)

Perú
Millones de Soles

	3Q11	3Q10	Var.%	Jan - Sept '11	Jan - Sept '10	Var.%
Total Revenues	**927**	**793**	**16.8%**	**2,646**	**2,277**	**16.2%**
Wireless Revenues	**817**	**700**	**16.8%**	**2,342**	**2,016**	**16.2%**
Fixed Line and Other Revenues	**131**	**111**	**18.3%**	**367**	**315**	**16.6%**
EBITDA	**424**	**349**	**21.6%**	**1,226**	**1,015**	**20.9%**
% total revenues	**45.8%**	**43.9%**		**46.3%**	**44.6%**	
EBIT	**289**	**228**	**27.1%**	**841**	**667**	**26.1%**
%	**31.2%**	**28.7%**		**31.8%**	**29.3%**	

**Total Revenues reflect eliminations derived from the overlap of fixed and mobile operations as well as intercompany transactions; Wireless Revenues and Fixed Line and Other Revenues only exclude intercompany transactions with foreign subsidiaries. The sum of the parts will not equal Total Revenues.*

Peru Operating Data (IFRS)

	3Q11	3Q10	Var.%
Wireless Subscribers (thousands)	10,756	9,294	**15.7%**
Postpaid	1,727	1,119	**54.3%**
Prepaid	9,029	8,175	**10.4%**
MOU	109	100	**9.2%**
ARPU (Sol)	22	22	**0.7%**
Churn (%)	3.1%	3.4%	**(0.3)**
Revenue Generating Units (RGUs)*	627	393	**59.5%**

** Fixed Line, Broadband and Television*

Central America and the Caribbean

24M Accesses

At the end of September we had 23.7 million accesses in Central America and the Caribbean. Our fixed-line RGUs increased 8.9% compared to the prior year with PayTV as the main driver. Our wireless subscriber base, 18 million, was up 6.7% year-on-year, but the postpaid segment rose 10.1% relative to 2010. Around 90 thousand—out of 311 thousand net adds in the quarter—were postpaid, exceeding by 29.7% those gained in the year-earlier quarter.

Wireless Data Revenues up 67% YoY

Revenues totaled 915 million dollars in the quarter, exceeding by 4.4% those of the same period of 2010. Wireless revenues rose 14.1% buoyed by data revenues that were up 67.2%. The growth of data brought about a 6.6% increase in ARPU. Fixed line revenues declined 5.4% as the brisk increase in PayTV and broadband revenues was not enough to compensate for the reduction of the voice business. EBITDA came in at 286 million dollars in the quarter, slightly down from the prior year.

YTD EBITDA margin at 32%

In the nine months to September, revenues were 2.7 billion dollars having risen 3.7% year-on-year. EBITDA of 856 million was practically flat; it was equivalent to 31.7% of revenues.

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INCOME STATEMENT (IFRS)

Central America and The Caribbean
Millions of Dollars

	3Q11	3Q10	Var.%	Jan - Sep 11	Jan - Sep 10	Var.%
Total Revenues	**915**	**876**	**4.4%**	**2,699**	**2,604**	**3.7%**
Wireless Revenues	**504**	**442**	**14.1%**	**1,454**	**1,295**	**12.3%**
Fixed Line and Other Revenues	**411**	**434**	**-5.4%**	**1,246**	**1,309**	**-4.9%**
EBITDA	**286**	**290**	**-1.4%**	**856**	**854**	**0.2%**
% total revenues	**31.3%**	**33.1%**		**31.7%**	**32.8%**	
EBIT	**45**	**30**	**48.8%**	**153**	**164**	**-6.6%**
%	**4.9%**	**3.5%**		**5.7%**	**6.3%**	

**Total Revenues reflect eliminations derived from the overlap of fixed and mobile operations as well as intercompany transactions; Wireless Revenues and Fixed Line and Other Revenues only exclude intercompany transactions with foreign subsidiaries. The sum of the parts will not equal Total Revenues.*

Central America and the Caribbean Operating Data (IFRS)

	3Q11	3Q10	Var.%
Wireless Subscribers (thousands)	18,021	16,883	**6.7%**
Postpaid	2,276	2,067	**10.1%**
Prepaid	15,745	14,816	**6.3%**
MOU	207	187	**11.0%**
ARPU (Usd)	9	8	**6.6%**
Churn (%)	3.0%	3.7%	**(0.7)**
Revenue Generating Units (RGUs)*	5,729	5,259	**8.9%**

** Fixed Line, Broadband and Television*

United States

515K net adds in 3Q

After adding 515 thousand subs in the quarter, we finished September with 19.3 million clients 15.7% more than a year before.

Revenues +35% YoY

Revenues for the quarter were just shy of one billion dollars. They were up 34.8% year-on-year with service revenues growing somewhat faster at 36.5%. ARPU was 16 dollars in the quarter, 17.0% more than in 2010, and MOU reached 388 minutes per client as our StraightTalk plan continues to appeal to customers. EBITDAof 110 million dollars was 42.7% higher than that of the third quarter of last year with the margin inching up to 11.1%.

3Q EBITDA margin at 9.3%

The revenue figure for the nine months to September expanded 37.0% over the year before and came in at 2.7 billion dollars, with EBITDAof 257 million dollars surpassing the prior year's by 13.2%.

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INCOME STATEMENT (IFRS)

United States
Millions of Dollars

	3Q11	3Q10	Var.%	Jan - Sep 11	Jan - Sep 10	Var.%
Total Revenues	**989**	**734**	**34.8%**	**2,773**	**2,023**	**37.0%**
EBITDA	**110**	**77**	**42.7%**	**257**	**227**	**13.2%**
% total revenues	**11.1%**	**10.5%**		**9.3%**	**11.2%**	
EBIT	**103**	**70**	**45.9%**	**235**	**207**	**13.7%**
%	**10.4%**	**9.6%**		**8.5%**	**10.2%**	

United States Operating Data (IFRS)

	3Q11	3Q10	Var.%
Wireless Subscribers (thousands)	19,269	16,657	**15.7%**

MOU	388	262	**48.0%**
ARPU (US$)	16	13	**17.0%**
Churn (%)	4.2%	4.4%	**(0.1)**

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Glossary of Terms

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

ARPM- Average Revenue per Minute. The ratio of service revenues to airtime traffic.

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

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

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

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

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

EBITDA margin – The ratio of EBITDAto total operating revenue.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SMS – Short Message Service.

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

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

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Exchange Rates Local Currency Units per USD

	3Q11	3Q10	Var.%	Jan - Sep 11	Jan - Sep 10	Var.%
Mexico						
EoP	13.42	12.50	7.4%	13.42	12.50	-13.0%
Average	12.26	12.81	-4.3%	12.02	12.72	-9.4%
Brazil						
EoP	1.85	1.69	9.5%	1.85	1.69	-23.1%
Average	1.64	1.75	-6.4%	1.63	1.78	-19.3%
Argentina						
EoP	4.21	3.96	6.2%	4.21	3.96	4.2%
Average	4.17	3.94	5.7%	4.09	3.89	10.0%
Chile						
EoP	522	484	7.9%	522	484	-10.1%
Average	471	512	-7.9%	474	520	-14.5%
Colombia						
EoP	1,915	1,800	6.4%	1,915	1,800	-24.7%
Average	1,742	1,834	-5.0%	1,806	1,910	-19.3%

Guatemala						
EoP	7.87	8.14	-3.3%	7.87	8.14	-1.6%
Average	7.81	8.03	-2.7%	7.78	8.07	2.9%
Honduras						
EoP	19.09	19.03	0.3%	19.09	19.03	0.0%
Average	19.02	19.03	-0.1%	19.02	19.03	0.0%
Nicaragua						
EoP	22.70	21.62	5.0%	22.70	21.62	5.0%
Average	22.56	21.49	5.0%	22.29	21.23	5.0%
Peru						
EoP	2.77	2.79	-0.5%	2.77	2.79	-10.1%
Average	2.74	2.81	-2.3%	2.77	2.83	-9.2%
Paraguay						
EoP	4,131	4,821	-14.3%	4,131	4,821	-7.9%
Average	3,932	4,765	-17.5%	4,149	4,724	-7.5%
Uruguay						
EoP	20.27	20.31	-0.2%	20.27	20.31	-19.2%
Average	18.93	20.84	-9.1%	19.11	20.06	-12.2%
Dominican						
EoP	38.32	37.30	2.7%	38.32	37.30	1.4%
Average	38.16	37.07	2.9%	37.97	36.73	6.9%
Jamaica						
EoP	86.30	86.25	0.1%	86.30	86.25	0.8%
Average	86.05	85.99	0.1%	85.89	87.95	5.5%

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Exchange Rates Local Currency units per Mexican Peso

	3Q11	3Q10	Var.%	Jan - Sep 11	Jan - Sep 10	Var.%
USA						
EoP	0.07	0.08	-6.9%	0.07	0.08	-6.9%
Average	0.08	0.08	4.5%	0.08	0.08	5.8%
Brazil						
EoP	7.24	7.38	-1.9%	7.24	7.38	-1.9%
Average	7.49	7.32	2.3%	7.36	7.14	3.1%
Argentina						
EoP	3.19	3.16	1.1%	3.19	3.16	1.1%
Average	2.94	3.25	-9.5%	2.94	3.27	-9.9%
Chile						
EoP	0.026	0.026	-0.5%	0.026	0.026	-0.5%
Average	0.026	0.025	3.9%	0.025	0.024	3.7%
Colombia						
EoP	0.0070	0.0069	0.9%	0.0070	0.0069	0.9%

Average	0.0070	0.0070	0.8%	0.0067	0.0067	0.0.%
Guatemala						
EoP	1.71	1.54	11.0%	1.71	1.54	11.0%
Average	1.57	1.59	-1.6%	1.55	1.58	-1.9%
Honduras						
EoP	0.70	0.66	7.0%	0.70	0.66	7.0%
Average	0.64	0.67	-4.2%	0.63	0.67	-5.4%
Nicaragua						
EoP	0.59	0.58	2.3%	0.59	0.58	2.3%
Average	0.54	0.60	-8.8%	0.54	0.60	-10.0%
Peru						
EoP	4.84	4.48	7.9%	4.84	4.48	7.9%
Average	4.47	4.56	-2.1%	4.34	4.49	-3.3%
Paraguay						
EoP	0.0032	0.0026	25.3%	0.0032	0.0026	25.3%
Average	0.0031	0.0027	16.0%	0.0029	0.0027	7.6%
Uruguay						
EoP	0.66	0.62	7.6%	0.66	0.62	7.6%
Average	0.65	0.61	5.4%	0.63	0.63	-0.8%
Dominican						
EoP	0.35	0.34	4.5%	0.35	0.34	4.5%
Average	0.32	0.35	-7.0%	0.32	0.35	-8.6%
Jamaica						
EoP	0.16	0.14	7.3%	0.16	0.14	7.3%
Average	0.14	0.15	-4.3%	0.14	0.14	-3.2%

For further information please visit our website at:

http://www.americamovil.com

Legal Disclaimer

América Móvil, S.A.B. de C.V. (the “Company”) quarterly reports and all other written materials may from time to time contain forward-looking statements that reflect the current views and/or expectations of the Company and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance, or achievements, and may contain words like “believe”, “anticipate”, “expect”, “envisages”, “will likely result”, or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. 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 this report. In no event, neither the Company nor any of its subsidiaries, affiliates, directors, officers, agents or employees shall be liable before any third party (including investors) for any investment or business decision made or action taken in reliance on the information and statements contained in this document or for any consequential, special or similar damages.

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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: November 7, 2011

AMÉRICA MÓVIL, S.A.B. DE C.V.

By:	/s/ Alejandro Cantú Jiménez
Name:	**Alejandro Cantú Jiménez**
Title:	**Attorney-in-fact**