ESTERLINE TECHNOLOGIES CORP
Form DEF 14A
February 07, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant |X|
Filed by a Party other than the Registrant |_|
Check the appropriate box:
|_| Preliminary proxy statement
|_| Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
|X| Definitive proxy statement
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ESTERLINE TECHNOLOGIES CORPORATION
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
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NOTICE OF ANNUAL MEETING AND PROXY STATEMENT

ESTERLINE TECHNOLOGIES CORPORATION

500 108th Avenue NE
Bellevue, Washington 98004

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held March 2, 2005

To the Shareholders of Esterline Technologies Corporation:

NOTICE IS HEREBY GIVEN that the 2005 annual meeting of shareholders for ESTERLINE TECHNOLOGIES CORPORATION, a Delaware corporation (the Company), will be held on Wednesday, March 2, 2005, at 10:00 a.m., at the Harbor Club Bellevue, Bellevue, Washington, for the following purposes:

(1) to elect four directors of the Company; and

(2) to transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on January 4, 2005, as the record date for determination of shareholders entitled to notice of and to vote at the meeting or any adjournment or postponement thereof.

The Company s Annual Report for fiscal year 2004 is enclosed for your convenience.

By order of the Board of Directors

ROBERT D. GEORGE
Vice President,
Chief Financial Officer,
Secretary and Treasurer

February 7, 2005

Your vote is important. Please sign and date the enclosed proxy card and return it promptly in the enclosed envelope to ensure that your shares will be represented at the annual meeting. Holders of a majority of the outstanding shares entitled to vote must be present either in person or by proxy for the meeting to be held. If you attend the meeting and vote your shares personally, any previous proxies will be revoked.

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS
To Be Held March 2, 2005

This proxy statement, which is first being mailed to shareholders on or about February 7, 2005, has been prepared in connection with the solicitation by the Board of Directors of Esterline Technologies Corporation (the Company) of proxies in the accompanying form to be voted at the 2005 annual meeting of shareholders of the Company to be held on Wednesday, March 2, 2005, at 10:00 a.m., at the Harbor Club Bellevue, 777 108th Avenue NE, Bellevue, Washington, and at any adjournment or postponement thereof. The Company s principal executive office is at 500 108th Avenue NE, Bellevue, Washington 98004.

The cost of this solicitation will be borne by the Company. In addition to solicitation by mail, officers and employees of the Company may, without additional compensation, solicit the return of proxies by telephone, telegram, messenger, facsimile transmission or personal interview. Arrangements may also be made with brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy material to their principals, and the Company may reimburse such persons for their expenses in so doing. Furthermore, the Company has retained MacKenzie Partners, Inc. to provide proxy solicitation services for a fee of $5,000, plus reimbursement of its out-of-pocket expenses.

Any proxy given pursuant to the solicitation may be revoked at any time prior to being voted. A proxy may be revoked by the record holder or other person entitled to vote (a) by attending the meeting in person and voting the shares, (b) by executing another proxy dated as of a later date or (c) by notifying the Secretary of the Company in writing, at the Company s address set forth on the notice of the meeting, provided that such notice is received by the Secretary prior to the meeting date. All shares represented by valid proxies will be voted at the meeting. Proxies will be voted in accordance with the specification made therein or, in the absence of specification, in accordance with the provisions of the proxy.

The Board of Directors has fixed the close of business on January 4, 2005, as the record date for determining the holders of common stock of the Company (the Common Stock) entitled to notice of and to vote at the annual meeting. At the close of business on the record date there were outstanding and entitled to vote 25,072,561 shares of Common Stock, which are entitled to one vote per share on all matters which properly come before the annual meeting. A plurality of the shares of Common Stock present in person or represented by proxy at the meeting is required for the election of directors. Shareholders are not entitled to cumulate votes in electing directors. The presence in person or by proxy of the holders of a majority of the outstanding shares of Common Stock entitled to vote is required to constitute a quorum for the transaction of business at the meeting. The Common Stock is listed for trading on the New York Stock Exchange (NYSE).

Votes cast by proxy or in person at the annual meeting will be tabulated by the inspectors of election appointed for the annual meeting. The inspectors of election will determine whether or not a quorum is present at the annual meeting. The inspectors of election will treat abstentions as shares of Common Stock that are present and entitled to vote for purposes of determining the presence of a quorum. Broker non-votes will have no effect on the vote relating to election of directors because broker non-votes will not be considered votes cast or shares entitled to vote at the meeting. Broker non-votes occur when a person holding shares through a bank or brokerage account does not provide instructions as to how his or her shares should be voted and the broker does not exercise discretion to vote those shares on a particular matter. Brokers may exercise discretion to vote shares as to which instructions are not given with respect to the election of directors.

ELECTION OF DIRECTORS

Four directors are to be elected at the 2005 annual meeting of shareholders. Three directors will be elected to serve a three-year term expiring at the 2008 annual meeting or until a successor is elected and qualified. One director will be elected to a two-year term expiring after the 2007 annual meeting or until a successor is elected and qualified. The Board of Directors recommends a vote FOR the director nominees named below.

Generally, directors of the Company are elected for three-year terms that are staggered such that one-third of the directors is elected each year. In December 2004, by resolution of the Board of Directors, the number of authorized members of the Board was increased to ten. The Board appointed Admiral Charles R. Larson, Retired, to fill the vacancy created by the expansion, and classified Admiral Larson into the class of directors whose term expires at the 2007 annual meeting. The current directors whose terms expire at the 2005 annual meeting are Lewis E. Burns, Robert W. Cremin, and Anthony P. Franceschini.

In addition, Richard R. Albrecht has advised the Board that he will retire as director at the conclusion of the 2005 annual meeting. In light of the retirement of Mr. Albrecht, by resolution of the Board of Directors effective at the end of the 2005 annual meeting, the number of authorized members of the Board of Directors will be reduced to nine.

Information as to each nominee and each director whose term will continue after the 2005 annual meeting is provided below. In the election of directors, any action other than a vote FOR the nominee will have the practical effect of voting against the nominee. Unless otherwise instructed, it is the intention of the persons named in the accompanying proxy to vote shares represented by properly executed proxies FOR the election of the nominees named below. The Board of Directors knows of no reason why any of the nominees will be unable or unwilling to serve. If any nominee becomes unavailable to serve, the Board of Directors intends for the persons named as proxies to vote for the election of such other persons, if any, as the Board of Directors may recommend.

Nominees to the class of directors whose term will expire at the 2008 annual meeting:

Lewis E. Burns
Director/Consultant, Dover Industries, Inc. Age 66.
Mr. Burns is a Director/Consultant of Dover Industries, Inc. (a diversified manufacturing company), having held such positions since July 2003. Prior to that time, he was President, Chief Executive Officer and Director of Dover Industries, Inc. since 1985. He has been a director of the Company since 2003.

Robert W. Cremin
Chairman, President and Chief Executive Officer, Esterline Technologies. Age 64.
Mr. Cremin has been Chairman since January 19, 2001. In addition, he has served as Chief Executive Officer and President since January 1999 and September 1997, respectively. He has been a director of the Company since 1998.

Anthony P. Franceschini
Director, President and Chief Executive Officer, Stantec Inc. Age 53.
Mr. Franceschini has been the Director, President and Chief Executive Officer of Stantec Inc. (a global design firm) since June 1998. He has been a director of the Company since 2002.

Nominee to the class of directors whose term will expire at the 2007 annual meeting:

Charles R. Larson
Admiral, United States Navy (Retired). Age 68.
Since retiring from the U. S. Navy in 1998, Admiral Larson has consulted on a broad array of defense, international and domestic policy issues to government and industry. Admiral Larson is also a Director of Northrop Grumman Corporation. He has been a director of the Company since 2004.

Continuing directors:

Ross J. Centanni
Chairman, President and Chief Executive Officer, Gardner Denver, Inc. Age 59.
Mr. Centanni has been the Chairman of the Board of Gardner Denver, Inc. (a leading manufacturer of reciprocating, rotary and vane compressors, liquid ring pumps and blowers for various industrial and transportation applications, pumps used in the petroleum and industrial markets, and other fluid transfer equipment serving chemical, petroleum and food industries) since November 1998, and the President and Chief Executive Officer since November 1993. He is also a director of Denman Services, Inc. and the Petroleum Equipment Suppliers Association and also serves as a member of the Executive Committee of the International Compressed Air and Allied Machinery Committee. He has been a director of the Company since 1999 and his current term expires in 2006.

John F. Clearman
Special Advisor to the Board (Retired), Milliman USA. Age 67.
Prior to January 2003, Mr. Clearman was a Special Advisor to the Board of Milliman USA (an actuarial consulting firm), having held such position since August 2001. From October 1998 through July 2001, he was the Chief Financial Officer of Milliman USA. He is also a director for several other companies including Oberto Sausage, Inc., Washington Federal Savings, Inc., Barclay Dean Interiors, GT Development, Lang Manufacturing, Pacific Northwest Title and WestFarm Foods. He has been a director of the Company since 1989 and his current term expires in 2007.

Robert S. Cline
Chairman and Chief Executive Officer (Retired), Airborne Freight Corporation. Age 67.
Prior to January 2003, Mr. Cline was the Chairman and Chief Executive Officer of Airborne Freight Corporation (an air express company), having held such positions since 1984. He is also a director of Safeco Corporation. He has been a director of the Company since 1999 and his current term expires in 2006.

Jerry D. Leitman
Chairman, President and Chief Executive Officer, FuelCell Energy, Inc. Age 62.
Mr. Leitman has been the Chairman, President and Chief Executive Officer of FuelCell Energy, Inc. (a fuel cell company) since June 2002. Previously, he was the President and Chief Executive Officer of FuelCell Energy, Inc. from August 1997. He has been a director of the Company since 1998 and his current term expires in 2007.

James L. Pierce
Chairman (Retired), ARINC Incorporated. Age 68.
Prior to March 2004, Mr. Pierce was the Chairman of ARINC Incorporated (a transportation and systems engineering solutions provider), having held such position since 1994. Mr. Pierce was also the Chief Executive Officer of ARINC Incorporated from 1994 until December 2001. He has been a director of the Company since 2003 and his current term expires in 2006.

OTHER INFORMATION AS TO DIRECTORS

Director Compensation

During fiscal 2004, the Company paid, in cash, each non-employee director an annual retainer fee of $20,000 for services on the Board and Board committees, a fee of $1,200 for each Board meeting attended in person and a fee of $600 for each telephonic meeting in which they participated. The Company also reimbursed such directors for out-of-pocket expenses incurred in connection with attendance or participation at meetings. In addition, the Company paid each non-employee director a fee of $1,000 per Committee meeting attended in-person and a fee of $500 per telephonic Committee meeting attended. The chairman of the Audit Committee received an additional annual fee of $7,500, and the chairman of each of the other Committees received an additional annual fee of $5,000. The Lead Independent Director received an additional annual fee of $10,000.

In addition, the Company paid each non-employee director compensation in the form of an annual issuance of $10,000 worth of fully-paid Common Stock and reimbursed each such director in cash for the payment of income taxes ($5,393.45 at current federal income tax rates) on this stock. Employees of the Company serving on the Board and committees thereof received no additional compensation for such service.

Board and Board Committees

There were six meetings of the Board of Directors during fiscal 2004. During fiscal 2004, each director attended at least 92% of the total number of meetings of the Board of Directors and Board committees of which he was a member.

Non-management directors meet in executive session on a regular basis, generally at each scheduled Board meeting. The Chairman of the Board, if a non-management director, presides over the executive sessions. If the Chairman of the Board is an employee of the Company, then the Lead Independent Director presides. In addition, the Audit Committee has adopted the practice of reserving time at each meeting to meet without members of Company management present. The Compensation Committee and the Nominating & Corporate Governance Committee also have adopted a similar practice of meeting periodically without members of Company management present.

The Board of Directors currently does not have a policy with regard to director attendance at the Company s annual shareholder meetings; however, it schedules the first quarter meeting of the Board of Directors on the same date as the annual shareholders meeting. All of the directors attended the annual shareholders meeting in 2004.

Board Independence. The Board has reviewed the relationships between the Company and each director and has determined that a majority of the directors are independent for purposes of the NYSE corporate governance listing standards. In accordance with these listing standards, the Board adopted its own set of specified criteria, identified in the Corporate Governance Guidelines, to assist it in determining whether any relationship between a director and the Company impairs independence. Using the adopted criteria, the Board affirmatively determined that all of the directors other than Mr. Cremin are independent under the NYSE listing standards. Mr. Cremin does not meet NYSE independence listing standards due to his current position as Chairman, President and Chief Executive Officer of the Company. We attach the Board s adopted set of specified criteria relating to director independence as Annex A.

The Audit Committee currently consists of Messrs. Clearman (Chairman), Cline, Franceschini and Pierce, each of whom is independent in accordance with applicable rules promulgated by the Securities and Exchange Commission (SEC) and NYSE listing standards. The Audit Committee selects and retains the independent registered public accounting firm to audit the Company s annual financial statements, approves the terms of the engagement of the independent registered public accounting firm and reviews and approves the fees charged for audits and for any non-audit assignments. The Board of Directors has adopted a written charter for the Audit Committee, a copy of which is attached to this Proxy Statement as Annex B and posted on the Company s website at **http://www.esterline.com/profile/corp_governance.stm**. The Audit Committee s responsibilities also include, among others, overseeing (1) the integrity of the Company s financial statements, which includes reviewing the scope and results of the annual audit by the independent registered public accounting firm, any recommendations of the independent registered public accounting firm resulting therefrom and management s response thereto and the accounting principles being applied by the Company in financial reporting, (2) the Company s compliance with legal and regulatory requirements, (3) the independent registered public accounting firm s qualifications and independence, (4) the performance of the Company s internal auditors and the independent registered public accounting firm, and (5) such other related matters as may be assigned to it by the Board of Directors. The Audit Committee met eight times during 2004.

The Board of Directors has determined that Mr. Clearman qualifies as an audit committee financial expert as defined in Section 401(h) of Regulation S-K promulgated by the SEC and has accounting and financial management expertise under NYSE listing standards.

The Compensation Committee currently consists of Messrs. Leitman (Chairman), Albrecht, Burns and Centanni, each of whom is independent in accordance with applicable NYSE listing standards. The Compensation Committee develops, evaluates and recommends to the Board for its approval corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluates the Chief Executive Officer in light of the corporate goals and objectives, recommends the form and level of compensation for officers of the Company and is responsible for performing the other related responsibilities set forth in its written charter, which is posted on the Company s website, **http://www.esterline.com/profile/corp_governance.stm**. The Compensation Committee also administers the Company s stock option plans and incentive compensation plans, which includes recommending amendments to such plans. The Compensation Committee met four times during 2004.

The Executive Committee, currently consisting of Messrs. Cremin (Chairman), Albrecht, Franceschini and Leitman, reviews situations that might, at some future time, become items for consideration of the entire Board of Directors and acts on behalf of the entire Board of Directors between its meetings. The Executive Committee did not meet during 2004.

The Nominating & Corporate Governance Committee currently consists of Messrs. Cline (Chairman), Centanni and Pierce, each of whom is independent in accordance with applicable NYSE listing standards. The Nominating & Corporate Governance Committee recommends director candidates to the entire Board, oversees the evaluation of the Board of Directors and Company management, develops and monitors corporate governance principles, practices and guidelines for the Board of Directors and the Company and is responsible for performing the other related responsibilities set forth in its written charter, which is posted on the Company s website, **http://www.esterline.com/profile/corp_governance.stm**. The Nominating & Corporate Governance Committee met four times during 2004.

Director Nominations and Qualifications

In accordance with the Company s Amended and Restated Bylaws, any shareholder entitled to vote for the election of directors at the Annual Meeting may nominate persons for election as directors at the 2006 annual shareholders meeting only if the Corporate Secretary receives written notice of any such nominations no earlier than October 2, 2005 and no later than November 1, 2005. Such nominations should be sent to: Esterline Technologies Corporation, Attn: Corporate Secretary, 500 108th Avenue NE, Suite 1500, Bellevue, WA 98004. Any shareholder notice of intention to nominate a director shall include:

- the name and address of the shareholder;
- a representation that the shareholder is entitled to vote at the meeting at which directors will be elected;
- the number of shares of the Company that are beneficially owned by the shareholder;
- a representation that the shareholder intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice;
- the following information with respect to the person nominated by the shareholder:
  - name and address;
  - other information regarding such nominee as would be required in a proxy statement filed pursuant to applicable rules promulgated by the SEC, and

a description of any arrangements or understandings between the shareholder and the nominee and any other persons (including their names), pursuant to which the nomination is made; and

the consent of each such nominee to serve as a director if elected.

The Chairman of the Board, other directors or senior management of the Company may also recommend director nominees. The Nominating & Corporate Governance Committee will evaluate recommended director nominees, including those that are submitted to the Company by a shareholder, taking into consideration certain criteria such as business and community service skills and experience, policy-making experience, record of accomplishments, personal integrity and high moral responsibility, capacity to evaluate strategy and reach sound conclusions and current Board composition. In addition, prospective directors must have time available to devote to Board activities and be able to work well with the Chief Executive Officer and other members of the Board.

The Company did not receive any shareholder nominations for director to be considered by the Nominating & Corporate Governance Committee for the 2005 annual shareholders meeting.

Shareholder Communications with the Board

Shareholders may contact the Lead Independent Director, the non-management directors as a group, the Board of Directors as a group or an individual director by the following means:

Email: boardofdirectors@esterline.com

Mail: Board of Directors
Attn: Lead Independent Director or Corporate Secretary
Esterline Technologies Corporation
500 108th Avenue NE, Suite 1500
Bellevue, WA 98004

Shareholders should clearly specify in each communication the name of the individual director or group of directors to whom the communication is addressed. Shareholder communications sent by email are delivered directly to the Lead Independent Director, and to the Corporate Secretary, who will promptly forward such communications to the specified director addressees. Shareholder communications sent by mail will be promptly forwarded by the Corporate Secretary to the specified director addressee or, if such communication is addressed to the full Board of Directors, to the Chairman of the Board and the Lead Independent Director, who will promptly forward such communication to the full Board of Directors. Shareholders wishing to submit proposals for inclusion in the proxy statement relating to the 2006 annual shareholders meeting should follow the procedures specified under Shareholder Proposals for 2006 below. Shareholders wishing to nominate or recommend directors should follow the procedures specified under Other Information as to Directors Director Nominations and Qualifications.

CODE OF ETHICS

The Company has adopted a code of ethics that applies to its accounting and financial employees, including the Chief Executive Officer and Chief Financial Officer. This code of ethics, which is included as part of the Company s Code of Business Conduct and Ethics that applies to the Company s employees and directors, is posted on the Company s website, **http://www.esterline.com/profile/corp_governance.stm**. The Company intends to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding an amendment to or waiver from application of the code of ethics provisions of the Code of Business Conduct and Ethics that applies to the Chief Executive Officer or the Chief Financial Officer, and any other applicable accounting and financial employee, by posting such information on its website, **http://www.esterline.com/profile/corp_governance.stm**.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of shares of Common Stock as of January 4, 2005 by (i) each person or entity who is known by the Company to own beneficially more than 5% of the Common Stock, (ii) each of the Company s directors, (iii) each of the Company s named executive officers and (iv) all directors and executive officers of the Company as a group.

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership (2)		Percent of Class
Barclays Global Investors, N.A. 45 Fremont Street, San Francisco, CA 94105	1,619,353	(3)	6.5%
Dimensional Fund Advisors Inc. 1299 Ocean Avenue, 11th Floor, Santa Monica, CA 90401	1,584,910	(4)	6.3%
Wachovia Corporation One Wachovia Center, Charlotte, NC 28288	1,471,339	(5)	5.9%
AXA Financial, Inc. 1290 Avenue of the Americas, New York, NY 10104	1,320,886	(6)	5.3%
Robert W. Cremin	380,416	(7)	1.5%
Robert D. George	113,250	(7)	*
Larry A. Kring	112,150	(7)	*
Stephen R. Larson	104,250	(7)	*
Stephen E. Barton	58,125	(7)	*
John F. Clearman	14,814		*
Jerry D. Leitman	6,070		*
Richard R. Albrecht	5,304	(8)	*
Ross J. Centanni	4,772		*
Robert S. Cline	4,772		*
James L. Pierce	2,062		*
Anthony P. Franceschini	1,990		*
Lewis E. Burns	362		*
Charles R. Larson	200		*
Directors, nominees and executive officers as a group (15 persons)	859,287	(7)	3.3%

* Less than 1%

(1) Unless otherwise indicated, the business address of each of the shareholders named in this table is Esterline Technologies Corporation, 500 108th Avenue NE, Bellevue, Washington 98004.

(2) Unless otherwise indicated in the footnotes to this table, the person and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable.

(3) The information on the number of shares held is based upon a Schedule 13G filed on February 17, 2004 on behalf of Barclays Global Investors, NA (Barclays Investors) and Barclays Global Fund Advisors (Barclays Fund Advisors). According to such filing, Barclays Investors has sole voting power and sole dispositive power with respect to 1,147,212 shares, and Barclays Fund Advisors has sole voting power and sole dispositive power with respect to 374,362 shares.

(4) Based upon information provided by Dimensional Fund Advisors Inc. (Dimensional), an investment advisor registered under Section 203 of the Investment Advisors Act of 1940, Dimensional furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other investment vehicles, including commingled group trusts. (These investment companies and investment vehicles are the Portfolios .) In its role as investment advisor or investment manager, Dimensional possessed sole voting and sole investment power over all of the shares. The Portfolios own all of the shares and Dimensional disclaims beneficial ownership of such securities.

(5) The information on the number of shares held is based upon a Schedule 13G filed on February 11, 2004 on behalf of Wachovia Corporation. According to such filing, Wachovia Corporation has sole voting power with respect to 1,051,570 shares, sole dispositive power with respect to 1,584,510 shares and shared dispositive power with respect to 400 shares. Wachovia Corporation reported that the shares held by its subsidiaries Wachovia Securities, LLC,

Evergreen Investment Management Company and J.L. Kaplan Associates, LLC are beneficially owned by such mutual funds and other clients and that the shares held by its subsidiary Wachovia Bank are held in a fiduciary capacity for Wachovia Bank s customers.

(6) Based upon information provided by AXA Financial, Inc. (AXF) as of November 5, 2004, Alliance Capital Management, L.P. (Alliance), a majority owned subsidiary of AXF, has sole voting power with respect to 436,652 shares, shared voting power with respect to 9,095 shares, and sole dispositive power with respect to 510,766 shares. AXA Rosenburg Investment Management LLC (AXA Rosenburg), which is an affiliate of AXF, has sole voting power with respect to 433,900 shares and shared dispositive power with respect to 810,120 shares.

(7) Includes shares subject to options granted under the Company s Amended and Restated 1987 and 1997 Stock Option Plans which are exercisable currently or within 60 days of the date of this proxy statement as follows: Mr. Cremin, 376,250 shares; Mr. Kring, 91,750 shares; Mr. George, 112,250 shares; Mr. Larson, 102,250 shares; Mr. Barton, 58,125 shares; and directors, nominees and executive officers as a group, 791,375 shares.

(8) Mr. Albrecht has advised the Board that he will retire as director at the conclusion of the 2005 annual meeting.

EXECUTIVE COMPENSATION

The following table summarizes compensation paid or accrued during fiscal years 2004, 2003, and 2002 for services in all capacities to the Company by the persons who, at October 29, 2004, were the Chief Executive Officer and the four other most highly compensated executive officers of the Company (collectively, the Named Executive Officers):

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation: Salary ($)	Annual Compensation: Bonus ($)	Other Annual Compensation ($) (1)	Long-Term Compensation: Awards: Securities Underlying Options (#)	Long-Term Compensation: Payouts: LTIP Payouts ($)	All Other Compensation ($) (2)
Robert W. Cremin	2004	640,000	276,750		55,000	216,975	6,150
Chairman, President and	2003	540,000	302,543		40,000	412,500	3,000
Chief Executive Officer	2002	490,000	294,300		50,000	164,725	2,750
Stephen E. Barton (3)	2004	286,667	73,500		10,000	71,010	6,150
Group Vice President	2003	260,000	84,974	147,502		135,000	3,000
	2002	260,385	65,809		40,000	17,278	
Robert D. George	2004	306,667	90,000		12,000	71,010	6,150
Vice President, Chief	2003	280,000	104,583		10,000	135,000	3,000
Financial Officer, Secretary	2002	258,667	101,733		15,000	53,910	2,750

		4.2%	690	26.4%	
Argentina, Uruguay & Paraguay	437	404	8.2%	306	43.0%
Chile	1,071	1,028	4.2%	1,030	3.9%
Central America & Caribbean	6,061	5,999	1.0%	5,781	4.9%
Total RGUs	**64,140**	**62,806**	**2.1%**	**57,884**	**10.8%**

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

América Móvil Consolidated Results

Whereas financial volatility became more subdued in the fourth quarter as the uncertainty around the euro continued to subside, economic activity faced significant headwinds throughout the world with the recessionary situation in much of Europe appearing set to continue throughout 2013 and with the U.S. economy slowing down sharply. Some Latin American countries resented these trends.

America Movil revenues reached 198 billion pesos in the quarter and 775 billion pesos for the full year. They were down 1.1% from the year-earlier quarter in Mexican peso terms on account of the depreciation of various currencies vs. the Mexican peso, particularly the U.S. dollar and the Brazilian real. Mobile data revenues continued to gain share of revenues and have come to represent one third of wireless revenues and 18% of total revenues.

At constant exchange rates service revenues were up 5.2% year-on-year and total revenues 5.8%. Service revenue growth improved from the prior quarter in all major regions except Mexico. As regards our main business lines, mobile data and PayTV were the drivers of revenue growth, with 33.3% and 20.2%, respectively, while fixed-line voice posted a 7.2% revenue decline continuing the trend seen over the last several quarters. Mobile voice revenues were down 1.7%, partly on account of the marked economic slowdown observed in several countries in the region that took place hand in hand with that of the U.S.

The quarter’s EBITDA totaled 61.7 billion pesos and that of the full year 260.9 billion pesos, with the quarter’s margin declining to 31.1% from 33.5% a year before. The reduction of the margin partly arises from the growth of PayTV and TracFone, that are lower margin business, but also reflects the continued migration to smartphones that has entailed somewhat larger subsidies and the spillover effects into Opex of the large investment program we are conducting. Operating profits reached 35.4 billion pesos after depreciation and amortization charges that remained in the range of 13% of revenues, similar to that of the prior year.

We registered a comprehensive financing charge of 10.5 billion pesos that included a foreign exchange loss of 4.8 billion pesos mostly resulting from the appreciation of the euro vis-à-vis other currencies. Our investments in Europe are carried at cost and are thus considered non-monetary assets. Whereas there is no mismatch in the currency position—assets in Europe are funded with euro-denominated obligations—a cost nonetheless results when the euro appreciates given the non-monetary nature of the said assets and the monetary nature of the liabilities. For the full year financing charges, 19.6 billion pesos, were 35.4% lower than those observed in 2011, reflecting a swing in the foreign exchange position to a net gain of 7.4 billion pesos.

A net profit of 15.0 billion pesos was obtained in the fourth quarter that was equivalent to 20 peso cents per share or 30 dollar cents per ADR. It brought the net income for the year to 91.4 billion pesos, a figure that surpassed by 10.6% that of 2011.

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

	4Q12	**4Q11**	**Var.%**	**Jan - Dec 12**	**Jan - Dec 11**	**Var.%**
Net Service Revenues	176,835	180,567	-2.1%	705,507	669,021	5.5%
Equipment Revenues	21,177	19,573	8.2%	69,563	62,394	11.5%
Total Revenues	**198,012**	**200,140**	**-1.1%**	**775,070**	**731,416**	**6.0%**
Cost of Service	58,981	59,323	-0.6%	232,980	215,107	8.3%
Cost of Equipment	31,499	29,829	5.6%	110,466	95,063	16.2%
Selling, General & Administrative Expenses	43,736	42,529	2.8%	162,771	154,418	5.4%
Others	2,138	1,449	47.6%	7,957	7,016	13.4%
Total Costs and Expenses	**136,354**	**133,129**	**2.4%**	**514,175**	**471,604**	**9.0%**
EBITDA	**61,659**	**67,011**	**-8.0%**	**260,895**	**259,812**	**0.4%**
% of Total Revenues	31.1%	33.5%		33.7%	35.5%	
Depreciation & Amortization	26,307	27,561	-4.6%	103,585	100,018	3.6%
EBIT	**35,351**	**39,449**	**-10.4%**	**157,310**	**159,794**	**-1.6%**
% of Total Revenues	17.9%	19.7%		20.3%	21.8%	
Net Interest Expense	4,942	4,277	15.5%	19,138	14,677	30.4%
Other Financial Expenses	774	408	89.6%	7,810	-7,649	202.1%
Foreign Exchange Loss	4,813	6,778	-29.0%	-7,395	23,239	-131.8%
Comprehensive Financing Cost (Income)	**10,529**	**11,464**	**-8.2%**	**19,553**	**30,267**	**-35.4%**
Income & Deferred Taxes	9,375	10,983	-14.6%	46,379	41,476	11.8%
Net Income before Minority Interest and Equity Participation in Results of Affiliates	15,447	17,002	-9.1%	91,378	88,052	3.8%
minus						
Equity Participation in Results of Affiliates*	-346	-4	n.m.	761	68	n.m.
Minority Interest	-138	-691	80.0%	-699	-5,421	87.1%
Net Income	**14,962**	**16,307**	**-8.2%**	**91,441**	**82,698**	**10.6%**

n.m. Not meaningful
**Includes results of KPN*

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

	Dec '12	**Dec '11**	**Var.%**		**Dec '12**	**Dec '11**	**Var.%**

Current Assets				***Current Liabilities***			
Cash & Securities	45,487	64,503	-29.5%	**Short Term Debt****	13,622	28,550	-52.3%
Accounts Receivable	121,657	137,169	-11.3%	**Accounts Payable**	187,752	192,111	-2.3%
Other Current Assets	11,961	11,674	2.5%	**Other Current Liabilities**	50,156	55,693	-9.9%
Inventories	28,698	34,538	-16.9%		251,530	276,354	-9.0%
	207,803	247,884	-16.2%				
Non Current Assets							
Plant & Equipment	500,434	497,165	0.7%				
Investments in Affiliates	73,116	1,163	n.a.	***Non Current Liabilities***			
				Long Term Debt	404,048	368,015	9.8%
Deferred Assets				**Other Non Current Liabilities**	34,668	30,879	12.3%
Goodwill (Net)	99,706	104,675	-4.7%		438,716	398,894	10.0%
Intangible Assets	45,196	52,045	-13.2%				
Deferred Assets	76,315	70,845	7.7%	**Shareholder's Equity**	312,323	298,530	4.6%
Total Assets	1,002,569	973,777	3.0%	***Total Liabilities and Equity***	1,002,569	973,777	3.0%

** Includes current portion of Long Term Debt

Our net debt ended the year at 372.2 billion pesos, up from 332.1 billion at the close of 2011. Our net borrowings helped fund the acquisition of ownership interests in various entities--including KPN and Telekom Austria--that totaled 84.9 billion pesos. Our cash flow from operations allowed us to pay for capital expenditures of 130.9 billion pesos and to effect distributions to shareholders in the amount of 32.5 billion pesos.

Financial Debt of América Móvil*

Millions of U.S. Dollars

	Dec-11	Dec-12
Peso denominated debt	**5,313**	**6,089**
Bonds and other securities	5,309	6,089
Banks and others	4	0
U.S. Dollar - denominated debt	**14,151**	**15,721**
Bonds and other securities	12,348	15,098
Banks and others	1,803	623
Debt denominated in other currencies	**8,881**	**10,294**
Bonds and other securities	7,488	10,257
Banks and others	1,393	38
Total Debt	**28,346**	**32,104**

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

Mexico

Our Mexican wireless operation added 1.2 million subscribers in the fourth quarter—after one time disconnections of 1.0 million clients—to finish the year with 70.4 million subscribers, 7.1% more than a year before. Nearly one fourth of the quarter's net additions were postpaid clients. Our postpaid base increased twice as fast as prepaid, 15.4%, allowing us to continue to gain share in that segment of the market. On the wireline platform we lost 225 thousand fixed-telephony lines but added 164 thousand fixed-broadband accesses in the quarter. RGUs ended the year at 22.7 million slightly down, 0.4%, from the year-earlier quarter.

Fourth quarter revenues were just shy of 70 billion pesos declining slightly from the year before as the gain in wireless revenues, 5.9%, was not sufficient to offset the decline in wireline revenues, 9.7%, that resulted in part from the introduction of additional benefits to our clients in fixed to mobile calls, with 100 minutes of additional traffic at no charge. The share of wireless in the revenues of our Mexican operations rose from 61% to 65% in the period.

The rise in wireless revenues was driven by mobile data, up 24.8%, as mobile voice revenues were down 3.8% on account of the sharp economic slowdown observed in the period and the continued price reductions. The average price per minute of voice fell 19.7% from the year-earlier quarter and greatly contributed to the increased consumption of air traffic by our clients, with MOUs shooting up 16.5% to 274 minutes—our highest level ever and one of the highest in Latam. Fixed-line revenues declined 9.7% year-on-year with both voice and data revenues falling at a similar pace.

EBITDA came in at 30.3 billion pesos and was equivalent to 43.3% of revenues. For 2012 it totaled 121.9 billion pesos and represented 45.0% of revenues. The margin has declined on account of the faster adoption of smartphones and the efforts being undertaken to increase share in the postpaid segment of the market.

In November, we launched our 4G LTE network in Mexico covering 9 cities. We are investing in expanding rapidly our 4G footprint and estimate to have 65% of the country with fast mobile broadband services by April 2013. The minimum download speed in our 4G network is 20 Mbps.

We have continued to attract clients through the number-portability mechanism implemented more than six years ago thanks to our overall quality of service, coverage and ability to provide the best data services in the country.

Income Statement (IFRS)

México

Millions of MxP

	4Q12	4Q11	Var.%	Jan - Dec 12	Jan - Dec 11	Var.%
Total Revenues	**69,978**	**70,320**	**-0.5%**	**271,004**	**263,624**	**2.8%**
Wireless Revenues	45,485	42,949	5.9%	172,229	159,953	7.7%
Service Revenues	36,047	34,147	5.6%	143,376	132,719	8.0%
Equipment Revenues	9,133	8,679	5.2%	28,497	26,976	5.6%
Fixed Line and Other Revenues	26,137	28,956	-9.7%	104,902	111,173	-5.6%
EBITDA	**30,277**	**32,290**	**-6.2%**	**121,853**	**126,412**	**-3.6%**
% total revenues	43.3%	45.9%		45.0%	48.0%	
EBIT	**24,235**	**26,111**	**-7.2%**	**97,526**	**101,360**	**-3.8%**
%	34.6%	37.1%		36.0%	38.4%	

***Total Revenues reflect eliminations derived from both the overlap of fixed and mobile operations as well as international 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)

	4Q12	4Q11	Var.%
Wireless Subscribers (thousands)	**70,366**	**65,678**	**7.1%**
Postpaid	*8,610*	*7,460*	*15.4%*
*Prepaid ***	*61,756*	*58,218*	*6.1%*
MOU	**274**	**235**	**16.5%**
ARPU (MxP)	**172**	**168**	**2.6%**
Churn (%)	**3.6%**	**5.6%**	**(2.0)**
Revenue Generating Units (RGUs)*	**22,669**	**22,766**	**-0.4%**

* Fixed Line and Broadband

** The annual comparison is affected by the change in churn policy effective as of December 2011.

Argentina, Paraguay and Uruguay

Our wireless subscriber was down 2.2% in the quarter to 21.3 million subs after we disconnected 515 thousand subscribers in Argentina. On the fixed-line front, we ended the year with 437 thousand RGUs, 43.0% more than a year before.

The quarter's revenues, 3.9 billion Argentinean pesos, exceeded by 14.4% those obtained the year before. Wireless service revenues increased 11.5%—and ARPUs 1.9%—driven by a 29.1% expansion in data revenues. Fixed-line revenues, which account for 6.4% of the total, were up 30.3% relative to those of the prior year.

EBITDA of 1.3 billion Argentinean pesos was 9.0% higher than that of the year-earlier quarter before with a margin that stood at 32.8% of revenues. For the full year, EBITDA came in at 5 billion Argentinean pesos.

In Argentina, we ended the year with gains from mobile number portability obtained in the quarter. In November, it was implemented in Paraguay and thus far the balance has been positive for Claro.

Income Statement (IFRS)

Argentina, Paraguay & Uruguay

Millions of ARP

	4Q12	4Q11	Var.%	Jan - Dec 12	Jan - Dec 11	Var.%
Total Revenues	**3,899**	**3,407**	**14.4%**	**14,556**	**12,658**	**15.0%**
Wireless Revenues	3,675	3,233	13.7%	13,742	12,000	14.5%
Service Revenues	3,195	2,867	11.5%	11,988	10,612	13.0%
Equipment Revenues	478	363	31.7%	1,745	1,381	26.3%
Fixed Line and Other Revenues	249	191	30.3%	865	698	24.0%
EBITDA	**1,279**	**1,174**	**9.0%**	**4,988**	**4,750**	**5.0%**
% total revenues	32.8%	34.5%		34.3%	37.5%	
EBIT	**976**	**879**	**11.1%**	**4,019**	**3,861**	**4.1%**
%	25.0%	25.8%		27.6%	30.5%	

***Total Revenues reflect eliminations derived from both the overlap of fixed and mobile operations as well as international 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)

	4Q12	4Q11	Var.%
Wireless Subscribers (thousands)	**21,258**	**20,744**	**2.5%**
Postpaid	*2,868*	*2,752*	*4.2%*
Prepaid	*18,390*	*17,992*	*2.2%*
MOU	**146**	**153**	**-4.4%**
ARPU (ARP)	**49**	**48**	**1.9%**
Churn (%)	**3.5%**	**2.2%**	**1.2**
Revenue Generating Units (RGUs)*	**437**	**306**	**43.0%**

* Fixed Line, Broadband and PayTV.

Brazil

We had 93.8 million access lines in Brazil at the end of 2012, 11.7% more than a year before. On wireless, our subscriber base reached 65.2 million clients—an annual increase of 8.0%—after net additions of 1.8 million subs in the fourth quarter, nearly 20% of which were postpaid. Churn rates have come down by 0.3 percentage points and net additions accelerated as our plans became more competitive. As regards our fixed-line division, we ended the year with 28.6 million RGUs, up 21.2%year-over-year. At 28.5% year-on-year, Pay TV is our fastest growing segment, having added 540 thousand PayTV clients in the last quarter to finish the year with 12.6 million. We also had 5.8 million broadband accesses—they increased 23.4% over the year—and 10.3 million landlines, which rose 12.2%.

Fourth quarter revenues of 7.9 billion reais were up 3.3% from a year before. Wireless service revenues fell 4.3% reflecting among other things the 13% decline in mobile termination rates that was enacted in March 2011. Such reduction contributed to a 28% reduction in the average price per minute of voice that in turn helped boost MOUs, up 16.1%. On the other hand, wireline revenues increased 6.7% over the year and were just shy of five billion reais. PayTV and broadband revenues grew 22.2% and 18.2%, respectively, while those derived from long distance continued their declining trend.

EBITDA came in at 1.6 billion reais, down 8.3% compared with the previous year, as the margin fell 2.6 percentage points. The reduction in EBITDA is in part structural as PayTV becomes a more significant business line since its margin is lower than that of other business segments. The reduction also reflects costs related to the expansion of our networks that are not being capitalized.

In December, we launched our new 4G-LTE network in Brazil. We will continue to expand the footprint of our new network to offer state-of-the-art value added services.

We gained 393.5 thousand clients through number portability in 2012, including 118.6 thousand that came over in the last quarter.

Income Statement (IFRS)

Brazil

Millions of BrL

	4Q12	4Q11	Var.%	Jan - Dec 12	Jan - Dec 11	Var.%
Total Revenues	**7,927**	**7,670**	**3.3%**	**30,717**	**29,353**	**4.6%**
Wireless Revenues	3,273	3,386	-3.3%	12,760	12,993	-1.8%
Service Revenues	2,995	3,131	-4.3%	11,870	12,164	-2.4%
Equipment Revenues	272	255	7.0%	881	812	8.5%
Fixed Line and Other Revenues	4,986	4,672	6.7%	19,348	17,912	8.0%
EBITDA	**1,638**	**1,787**	**-8.3%**	**7,237**	**7,478**	**-3.2%**
% total revenues	20.7%	23.3%		23.6%	25.5%	
EBIT	**100**	**169**	**-40.7%**	**1,409**	**1,782**	**-20.9%**
%	1.3%	2.2%		4.6%	6.1%	

***Total Revenues reflect eliminations derived from both the overlap of fixed and mobile operations as well as international 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.**

Brazil Operating Data (IFRS)

	4Q12	4Q11	Var.%
Wireless Subscribers (thousands)	**65,238**	**60,380**	**8.0%**
Postpaid	*13,069*	*12,669*	*3.2%*
Prepaid	*52,170*	*47,710*	*9.3%*
MOU	**126**	**109**	**16.1%**
ARPU (BrL)	**16**	**18**	**-12.3%**
Churn (%)	**3.7%**	**4.1%**	**(0.3)**
Revenue Generating Units (RGUs)*	**28,587**	**23,588**	**21.2%**

* Fixed Line, Broadband and Television

Colombia

Net wireless additions for the quarter were 409 thousand and 1.6 million for the year. In December, our wireless subscriber base of 30.4 million, 5.4% above the prior year, while the postpaid segment increased 12.5%. We also had 4.2 million RGUs, 18.2% more than in 2011, with fixed telephony lines climbing 27.4% and broadband accesses 35.9%.

The quarter's revenues stood at 2.7 trillion Colombian pesos and were 9.0% higher than those of the same period of 2011. Wireless service revenues—which accounted for 69% of the total—registered an annual increase of 6.6% driven by data revenues that expanded 35.6%. They helped bring about a 9.6% increase in ARPU. On the other hand, fixed-line revenues increased 17.9% on the back of both voice and data services, up 27.3% and 25.5%, respectively, with PayTV revenues expanding more slowly.

Our EBITDA rose 7.9% to 1.2 trillion Colombian pesos. The EBITDA margin was equivalent to 45.0% of revenues, as the costs linked to the growth of new subscribers, specially from those that are acquiring smartphones with data plans, weighted on the margin.

We continued to benefit from being the preferred option for many consumers thanks to our superior coverage and quality of service. This allowed us to gain more than 250 thousand subscribers in 2012 from mobile number portability.

As regards to the process of asymmetric regulation related to dominance, the Telecom regulator (Comisión de Regulación de Comunicaciones de Colombia) issued a resolution by which the price of off-net calls should be equal to the price of the on-net calls for Claro.

Income Statement (IFRS)

Colombia

Billions of COP

	4Q12	4Q11	Var.%	Jan - Dec 12	Jan - Dec 11	Var.%
Total Revenues	**2,659**	**2,438**	**9.0%**	**9,996**	**9,013**	**10.9%**
Wireless Revenues	2,152	2,005	7.3%	8,114	7,434	9.1%
Service Revenues	1,841	1,728	6.6%	7,094	6,526	8.7%
Equipment Revenues	280	267	5.0%	948	842	12.6%
Fixed Line and Other Revenues	490	416	17.9%	1,825	1,519	20.1%
EBITDA	**1,197**	**1,110**	**7.9%**	**4,661**	**4,183**	**11.4%**
% total revenues	45.0%	45.5%		46.6%	46.4%	
EBIT	**828**	**798**	**3.8%**	**3,285**	**2,955**	**11.2%**
%	31.2%	32.7%		32.9%	32.8%	

***Total Revenues reflect eliminations derived from both the overlap of fixed and mobile operations as well as international 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)

	4Q12	4Q11	Var.%
Wireless Subscribers (thousands)	**30,371**	**28,819**	**5.4%**
Postpaid	*5,352*	*4,755*	*12.5%*
Prepaid	*25,020*	*24,064*	*4.0%*
MOU	**230**	**216**	**6.6%**
ARPU (CoP)	**20,465**	**18,678**	**9.6%**
Churn (%)	**3.9%**	**7.2%**	**(3.3)**
Revenue Generating Units (RGUs)*	**4,195**	**3,549**	**18.2%**

* Fixed Line, Broadband and Television

** The annual comparison is affected by the change in churn policy effective as of December 2011.

Chile

Our wireless subscriber base reached 6.2 million at the end of December having risen 11.5% over the prior year. The quarter's net additions, 370 thousand, were twice as many as a year before. We also had 1.1 million RGUs with broadband being the fastest growing segment, with a 17.5% annual increase.

Fourth quarter revenues reached 203.3 billion Chilean pesos, 18.6% more than in 2011. Wireless service revenues were up 12.4% accounting for 54% of the total driven by data revenues that climbed 46.9%. ARPU rose 3.0% as compared to the precedent year on the back of data usage. As regards to the fixed-line segment, revenues increased 4.3% buoyed by 26.3% data growth.

Our EBITDA for the quarter was 3.8 billion Chilean pesos, equivalent to 1.9% of revenues. It was down as compared to that of same quarter of 2011 primarily on account of faster subscriber growth and its corresponding acquisition costs, and to a lesser extent, to costs related to the operation of a larger network and the improvements in customer care.

We are currently deploying our 4G LTE network and expect to launch the service in the next few weeks.

Claro was a net gainer of more than 120 thousand ported lines in 2012.

Income Statement (IFRS)

Chile

Millions of ChP

	4Q12	4Q11	Var.%	Jan - Dec 12	Jan - Dec 11	Var.%
Total Revenues	**203,328**	**171,433**	**18.6%**	**720,199**	**629,704**	**14.4%**
Wireless Revenues	154,024	125,525	22.7%	525,062	442,888	18.6%
Service Revenues	110,452	98,226	12.4%	424,666	364,115	16.6%
Equipment Revenues	43,661	25,200	73.3%	100,947	74,726	35.1%
Fixed Line and Other Revenues	52,100	49,948	4.3%	206,507	198,146	4.2%
EBITDA	**3,803**	**4,950**	**-23.2%**	**46,141**	**43,666**	**5.7%**
% total revenues	1.9%	2.9%		6.4%	6.9%	
EBIT	**-38,581**	**-31,943**	**-20.8%**	**-111,818**	**-103,008**	**-8.6%**
%	-19.0%	-18.6%		-15.5%	-16.4%	

***Total Revenues reflect eliminations derived from both the overlap of fixed and mobile operations as well as international 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)

	4Q12	4Q11	Var.%
Wireless Subscribers (thousands)	**6,174**	**5,537**	**11.5%**
Postpaid	*1,169*	*1,066*	*9.7%*
Prepaid	*5,005*	*4,471*	*12.0%*
MOU	**215**	**222**	**-3.3%**
ARPU (ChP)	**6,221**	**6,040**	**3.0%**
Churn (%)	**5.1%**	**5.9%**	**(0.9)**
Revenue Generating Units (RGUs)*	**1,071**	**1,030**	**3.9%**

* Fixed Line, Broadband and Television

Ecuador

After adding 296 thousand wireless subscribers in the quarter—a third of which were postpaid—we finished December with 11.8 million clients in Ecuador, 6.3% more than a year before. Our postpaid base actually increased 22.9% in the year. On the fixed line front we had 248 thousand RGUs, 42.8% more a year before.

Fourth quarter revenues totaled 408 million dollars, 5.9% more than in the same quarter of 2011. Wireless service revenues increased 4.7% supported by data revenues that expanded 29.5%. ARPU was up 1.4% year-on-year reflecting the increased usage of value added services.

EBITDA for the quarter was 182 million dollars, slightly below that of the year-earlier quarter due to the costs associated to subscriber growth, especially on the postpaid segment.

Income Statement (IFRS)

Ecuador

Millions of Dollars

	4Q12	4Q11	Var.%	Jan - Dec 12	Jan - Dec 11	Var.%
Total Revenues	**408**	**385**	**5.9%**	**1,560**	**1,469**	**6.2%**
Wireless Revenues	396	377	5.3%	1,519	1,439	5.6%
Service Revenues	337	322	4.7%	1,306	1,226	6.6%
Equipment Revenues	59	53	11.0%	212	210	0.8%
Fixed Line and Other Revenues	13	9	40.4%	47	34	40.4%
EBITDA	**182**	**184**	**-1.1%**	**732**	**677**	**8.0%**
% total revenues	44.7%	47.9%		46.9%	46.1%	
EBIT	**136**	**142**	**-4.1%**	**560**	**520**	**7.6%**
%	33.3%	36.8%		35.9%	35.4%	

***Total Revenues reflect eliminations derived from both the overlap of fixed and mobile operations as well as international 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.**

Ecuador Operating Data (IFRS)

	4Q12	4Q11	Var.%
Wireless Subscribers (thousands)	**11,758**	**11,057**	**6.3%**
Postpaid	*2,036*	*1,657*	*22.9%*
Prepaid	*9,721*	*9,401*	*3.4%*
MOU	**158**	**168**	**-6.3%**
ARPU (Usd)	**10**	**10**	**1.4%**
Churn (%)	**1.6%**	**2.6%**	**(1.0)**
Revenue Generating Units (RGUs)*	**248**	**174**	**42.8%**

* Fixed Line, Broadband and Television

** The annual comparison is affected by the change in churn policy effective as of December 2011.

Peru

We added 482 thousand clients in the quarter—half of which were postpaid—to finish the year with 12.9 million wireless subscribers. Our postpaid subscriber base rose 42.0% on an annual basis. On the fixed-line front RGUs rose 26.4% year-on-year to 873 thousand, with strong gains in telephony and broadband, up 71.9% and 39.9%, respectively, but with some losses of PayTV clients.

Revenues of 1.2 billion soles were 20.0% higher than those of a year before. Wireless service revenues were up 21.8% with data revenues expanding 37.8% over the year. ARPU was up 4.2% annually in spite of the rapid pace of subscriber growth. Fixed line revenues of 125 million soles were lower than in the same period of 2011, reflecting the decline in fixed-to-mobile rates in the annual comparison.

In spite of the fast pace of subscriber growth, EBITDA was up 33.0% on an annual basis to 544 million soles. Our margin came in at 45.6% of revenues, 4.5 percentage points greater than in the last quarter of 2011.

We have gained—in net terms—new clients that have switched to Claro thanks to mobile number portability.

Income Statement (IFRS)

Perú

Millones de Soles

	4Q12	4Q11	Var.%	Jan - Dec 12	Jan - Dec 11	Var.%
Total Revenues	**1,192**	**993**	**20.0%**	**4,364**	**3,737**	**16.8%**
Wireless Revenues	1,067	859	24.2%	3,883	3,266	18.9%
Service Revenues	896	735	21.8%	3,291	2,789	18.0%
Equipment Revenues	153	132	16.0%	556	471	18.1%
Fixed Line and Other Revenues	125	134	-7.2%	481	472	2.1%
EBITDA	**544**	**409**	**33.0%**	**1,866**	**1,581**	**18.0%**
% total revenues	45.6%	41.1%		42.8%	42.3%	
EBIT	**417**	**290**	**44.1%**	**1,380**	**1,133**	**21.8%**
%	35.0%	29.1%		31.6%	30.3%	

***Total Revenues reflect eliminations derived from both the overlap of fixed and mobile operations as well as international 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)

	4Q12	4Q11	Var.%
Wireless Subscribers (thousands)	12,881	11,254	**14.5%**
Postpaid	*2,683*	*1,889*	***42.0%***
Prepaid	*10,198*	*9,365*	***8.9%***
MOU	**109**	**106**	**2.7%**
ARPU (Sol)	**24**	**23**	**4.2%**
Churn (%)	**3.5%**	**3.0%**	**0.5**
Revenue Generating Units (RGUs)*	**873**	**690**	**26.4%**

* Fixed Line, Broadband and Television

Central America and the Caribbean

Our operations in Central America and the Caribbean finished the year with a total of 21.1 million wireless subscribers, 14.0% more than a year before. Postpaid grew 18.8% in an annual fashion. Wireless net additions for the quarter were 831 thousand taking the total for the year to 2.6 million, more than doubling those of 2011. We also had 6.1 million RGUs, 4.9% more than the year before. Broadband was the fastest growing segment: 12.2% year-over-year.

The quarter's revenue, 976 million dollars were 0.8% higher than in the same quarter of last year. Wireless service revenues were up 7.5% on an annual basis; those of our Central American operations posted a growth of 16.6% supported by data that shot up 42.7%. Altogether, we obtained fixed-line revenues of 408 million dollars; they were down 3.7% as a result of the decline in the revenues generated in the islands.

Our EBITDA of 278 million dollars was 8.6% higher than in the last quarter of 2011. The margin rose relative to that of a year before reflecting improvement in Central America and it stood at 28.5% of revenues.

In the fourth quarter, we launched 4G-LTE services in Puerto Rico.

Income Statement (IFRS)

Central America and The Caribbean

Millions of Dollars

	4Q12	4Q11	Var.%	Jan - Dec 12	Jan - Dec 11	Var.%
Total Revenues	**976**	**969**	**0.8%**	**3,837**	**3,776**	**1.6%**
Wireless Revenues	571	546	4.6%	2,210	2,036	8.6%
Service Revenues	516	480	*7.5%*	1,997	1,813	*10.1%*
Equipment Revenues	48	55	*-13.4%*	175	176	*-1.0%*
Fixed Line and Other Revenues	408	424	-3.7%	1,639	1,697	-3.4%
EBITDA	**278**	**256**	**8.6%**	**1,069**	**1,199**	**-10.9%**
% total revenues	28.5%	26.4%		27.8%	31.8%	
EBIT	**-12**	**29**	**-140.8%**	**-76**	**287**	**-126.5%**
%	-1.2%	3.0%		-2.0%	7.6%	

***Total Revenues reflect eliminations derived from both the overlap of fixed and mobile operations as well as international 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)

	4Q12	4Q11	Var.%
Wireless Subscribers (thousands)	**21,119**	**18,524**	**14.0%**
Postpaid	*2,876*	*2,421*	*18.8%*
Prepaid	*18,243*	*16,103*	*13.3%*
MOU	**203**	**205**	**-1.1%**
ARPU (US$)	**9**	**9**	**-7.4%**
Churn (%)	**3.6%**	**4.4%**	**(0.9)**
Revenue Generating Units (RGUs)*	**6,061**	**5,781**	**4.9%**

* Fixed Line, Broadband and Television

United States

We finished December with 22.4 million subscribers after adding 753 thousand new clients in the fourth quarter, 52.8% more than in the same period of 2011. Our subscriber base had an annual increase of 13.3%.

Revenues shot up 30.8% to 1.4 billion dollars with ARPU rising 14.9% as our mix of commercial plans continued to shift towards StraightTalk plans and as data becomes more meaningful. Data revenues more than doubled over the period and now account for 36.1% of service revenues.

As a consequence of the acceleration of subscriber growth and the increased introduction of smartphones, EBITDA fell to 39 million dollars in the quarter, which represents 2.8% of revenues.

In October, TracFone launched its new brand Telcel America. It is aimed to the Hispanic community and includes unlimited calls to any number in Mexico.

Income Statement (IFRS)

United States

Millions of Dollars

	4Q12	4Q11	Var.%	Jan - Dec 12	Jan - Dec 11	Var.%
Total Revenues	**1,355**	**1,036**	**30.8%**	**4,799**	**3,817**	**25.7%**
Service Revenues	*1,188*	*917*	*29.5%*	*4,294*	*3,434*	*25.1%*
Equipment Revenues	*168*	*119*	*41.1%*	*505*	*383*	*31.8%*
EBITDA	**39**	**77**	**-49.6%**	**507**	**334**	**52.0%**
% total revenues	2.8%	7.4%		10.6%	8.7%	
EBIT	**30**	**68**	**-56.5%**	**474**	**304**	**55.9%**
%	2.2%	6.6%		9.9%	8.0%	

***Total Revenues reflect eliminations derived from both the overlap of fixed and mobile operations as well as international 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.**

United States Operating Data (IFRS)

	4Q12	4Q11	Var.%
Wireless Subscribers (thousands)	**22,392**	**19,762**	**13.3%**
MOU	**508**	**396**	**28.3%**
ARPU (Usd)	**18**	**16**	**14.9%**
Churn (%)	**3.9%**	**4.1%**	**(0.2)**

Glossary of Terms

ARPU – Average Revenue per User. The ratio of service revenues in a given period to the average num- ber 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 telecommu- nications infrastructure.

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

EBIT – Earnings Before Interest and Taxes, also known as Operating Profit. EBIT margin – The ratio of EBIT to total operating revenue.

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

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

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

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

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

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

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

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

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

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

Market share – A company's 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 commis- sions 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.

Exchange Rates Local Currency Units per USD

	4Q12	4Q11	Var.%	Jan - Dec 12	Jan - Dec 11	Var.%
Mexico						
EoP	13.01	13.99	-7.0%	13.01	13.99	-7.0%
Average	12.94	13.61	-4.9%	13.17	12.42	6.0%
Brazil						
EoP	2.04	1.88	8.9%	2.04	1.88	8.9%
Average	1.97	1.80	9.2%	1.93	1.67	15.3%
Argentina						
EoP	4.92	4.30	14.3%	4.92	4.30	14.3%
Average	4.59	4.26	7.8%	4.50	4.13	8.9%
Chile						
EoP	480	519	-7.6%	480	519	-7.6%
Average	456	512	-10.9%	481	484	-0.5%
Colombia						
EoP	1,768	1,943	-9.0%	1,768	1,943	-9.0%
Average	1,806	1,920	-6.0%	1,798	1,841	-2.4%
Guatemala						
EoP	7.90	7.81	1.2%	7.90	7.81	1.2%
Average	7.88	7.82	0.7%	7.83	7.79	0.6%
Honduras						
EoP	20.10	19.18	4.8%	20.10	19.18	4.8%
Average	19.41	19.13	1.5%	19.49	19.05	2.3%
Nicaragua						
EoP	24.13	22.97	5.0%	24.13	22.97	5.0%
Average	23.98	22.84	5.0%	23.54	22.42	5.0%
Costa Rica						
EoP	514	518	-0.8%	514	518	-0.8%
Average	504	515	-2.1%	508	511	-0.5%
Peru						
EoP	2.55	2.70	-5.4%	2.55	2.70	-5.4%
Average	2.39	2.70	-11.4%	2.59	2.75	-5.9%
Paraguay						
EoP	4,290	4,478	-4.2%	4,290	4,478	-4.2%
Average	4,269	4,303	-0.8%	4,384	4,187	4.7%

Uruguay						
EoP	19.40	19.90	-2.5%	19.40	19.90	-2.5%
Average	18.85	19.93	-5.4%	20.09	19.32	4.0%
Dominican Republic						
EoP	40.54	38.89	4.2%	40.54	38.89	4.2%
Average	39.40	38.55	2.2%	39.05	38.11	2.5%

Exchange Rates Local Currency units per Mexican Peso

	4Q12	4Q11	Var.%	Jan - Dec 12	Jan - Dec 11	Var.%
USA						
EoP	0.08	0.07	7.5%	0.08	0.07	7.5%
Average	0.08	0.07	5.2%	0.08	0.08	-5.7%
Brazil						
EoP	6.37	7.46	-14.6%	6.37	7.46	-14.6%
Average	6.58	7.56	-13.0%	6.74	8.35	-19.4%
Argentina						
EoP	2.65	3.25	-18.6%	2.65	3.25	-18.6%
Average	2.82	3.20	-11.8%	2.89	3.39	-14.6%
Chile						
EoP	0.027	0.027	0.6%	0.027	0.027	0.6%
Average	0.028	0.027	6.7%	0.027	0.029	-6.5%
Colombia						
EoP	0.0074	0.0072	2.2%	0.0074	0.0072	2.2%
Average	0.0072	0.0071	1.1%	0.0072	0.0076	-4.7%
Guatemala						
EoP	1.65	1.79	-8.1%	1.65	1.79	-8.1%
Average	1.64	1.74	-5.6%	1.66	1.80	-7.5%
Honduras						
EoP	0.65	0.73	-11.3%	0.65	0.73	-11.3%
Average	0.67	0.71	-6.3%	0.67	0.73	-9.1%
Nicaragua						
EoP	0.54	0.61	-11.4%	0.54	0.61	-11.4%
Average	0.54	0.60	-9.5%	0.55	0.62	-11.4%
Costa Rica						
EoP	0.03	0.03	-6.3%	0.03	0.03	-6.3%
Average	0.03	0.03	-2.9%	0.03	0.03	-6.5%
Peru						
EoP	5.10	5.19	-1.7%	5.10	5.19	-1.7%
Average	5.41	5.04	7.3%	5.02	5.08	-1.2%
Paraguay						
EoP	0.0030	0.0031	-2.9%	0.0030	0.0031	-2.9%
Average	0.0030	0.0032	-4.2%	0.0030	0.0033	-11.2%

Uruguay						
EoP	0.67	0.70	-4.6%	0.67	0.70	-4.6%
Average	0.69	0.68	0.5%	0.65	0.72	-10.6%
Dominican Republic						
EoP	0.32	0.36	-10.8%	0.32	0.36	-10.8%
Average	0.33	0.35	-7.0%	0.33	0.37	-9.2%

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http://www.americamovil.com

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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: February 13, 2013

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**