

Mexico City, October 15th of 2014

THE PLENARY OF THE IFT APPROVES THE RATES OFFERED BY TELCEL TO ITS CUSTOMERS AS A PREPONDERANT ECONOMIC AGENT

- The Plenary establishes the SMS formats sent by the Company to its users to inform them about the applicable service rate when they are abroad,
- It appointed Ricardo Salgado Perrilliat as Head of the Investigating Authority,
- The Plenary approved the Quarterly Report of Activities for July-September.

In a regular meeting the Plenary of the Federal Telecommunications Institute (*Instituto Federal de Telecomunicaciones*, IFT) authorized the rates for the services offered by Radiomóvil Dipsa, S.A. de C.V. (Telcel) to its users.

Telcel, as Preponderant Economic Agent (Agente económico preponderante, AEP) in the telecommunications sector, is subject to comply with the obligations on rates, which must be approved by this regulatory body, under the Federal Telecommunications and Broadcasting Law.

According to these regulations the Company may not set differentiated charges to its users for any call received from the same network or from a competitor, and it must refrain from establishing commercial charges or conditions, as regards quality or price, to its users for the services originating and terminating within its network different to those applied for services originated from or terminated at the network of another carrier.

The rates approved by the Plenary fulfill these provisions under Article 208 of the Law, as well as the replicability criterion established in the measures imposed on the AEPs in the telecommunications



sector which must have interconnection fees higher than those charged to their competitors for the traffic termination service.

Moreover, the Plenary approved the free text message (SMS) that Telcel must send to its users with a prepaid and postpaid service with mixed plans, informing them about the applicable service rate when they are abroad.

It was established that such short message shall specify in pesos the rate for voice, data and message services, and it will include a toll-free number and a website where users may get more information.

This SMS format must be implemented by Telcel no later than 60 business days after being notified of the Agreement.

Furthermore, as it was timely informed, on July 9th of this year the Plenary of the IFT approved the text message format that Telcel must send to its users when they make airtime prepayments in Mexico; those messages shall include detailed information on the deposited amount, the cumulative balance and the applicable basic rates for local call services, as well as for long-distance calls, SMS and megabytes for access to Internet.

In this regard, as the Company incorporated new prepayment modalities consisting of contracting service packages for seasons, it requested the approval of amendments to broaden the contents of such In this regard, and since the company joined its commercial offer new prepaid plans involving the procurement of service packages for seasons, requested the approval of amendments to broaden the content of these messages, so adjustments were made to clarity message content to the user.



Telcel must implement this measure not later than October 29^{th} , in accordance with the deadline in the resolution of July 9^{th} .

These measures are part of the obligations that the Preponderant Economic Agent must fulfill, so as to deliver clear information to subscribers on the charges for invoiced services and products.

The Plenary also appointed Ricardo Salgado Perrilliat as head of the Investigating Authority, a body of the IFT with technical and managerial autonomy to solve on its operations and resolutions, and charged with submitting evidence in relation to investigations on economic competition matters.

Salgado Perrilliat has a degree in Law from La Salle University and has postgraduate studies in Administrative, Bank, Fiscal, Economic-Corporate and Financial Law from the Universidad Panamericana in Mexico, and he is candidate to receive a PhD degree in Law from such university. Salgado Perrilliat has wide experience in the public sector where he has held positions such as the Office of Legal Affairs in the Federal Institute of Access to Public Information and Data Protection (Dirección General de Asuntos Jurídicos del Instituto Federal de Acceso a la Información Pública y Protección de Datos, IFAI), Head of the Legal Affairs Office of the Ministry of Public Education (Secretaría de Educación Pública, SEP), Director General of Litigious Affairs of the Federal Competition Commission (Comisión Federal de Competencia, CFC), and General Coordinator of the Federal Regulatory Improvement Commission (Comisión Federal de Mejora Regulatoria, COFEMER), among other positions.

Furthermore, the Plenary approved the Quarterly Report of Activities presented by the IFT for July-September of 2014, which will be sent to the Congress of the Union and to the Head of the Executive Power in compliance with Article 28, 20th paragraph, section VIII of the Mexican Constitution.



The Report will be available for consultation in the following days at the IFT website: $\underline{www.ift.org.mx}$

The Federal Institute of Telecommunications (IFT) is the autonomous body entrusted with the regulation, promotion and supervision of the efficient performance of broadcasting and telecommunications sectors in Mexico, and also exercises, in exclusive manner, the authorities in matters of economic competition of such sectors pursuant to the Decree whereby several provisions of Articles 6, 7, 27, 28, 94 and 105 of the Political Constitution of the United Mexican States are amended and supplemented in telecommunications matters, published in the Federal Official Gazette on June 11th of 2013.

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