

TELEFONOS DE MEXICO S A DE C V
Form 6-K
October 20, 2004

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of October 2004

Commission File Number: 333-13580

Teléfonos de México, S.A. de C.V.

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

Telephones of Mexico

(Translation of Registrant's Name into English)

Parque Vía 190

Colonia Cuauhtémoc

México City 06599, México, D.F.

(Address of principal executive offices)

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

.....Form 40-F.....

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

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

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No... ..

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

TELÉFONOS DE MÉXICO, S.A. DE C.V.

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-01

CONSOLIDATED BALANCE SHEETS

AT SEPTEMBER 30, 2004 & 2003

(Thousand Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|---------------------------------|--------------------|-----|---------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| 1 | TOTAL ASSETS | 247,579,660 | 100 | 171,011,846 | 100 |
| 2 | CURRENT ASSETS | 62,683,829 | 25 | 36,288,938 | 21 |
| 3 | CASH AND SHORT-TERM INVESTMENTS | 19,324,323 | 8 | 3,625,351 | 2 |
| 4 | ACCOUNTS RECEIVABLE, NET | 25,991,582 | 10 | 20,112,383 | 12 |
| 5 | OTHER ACCOUNTS RECEIVABLE, NET | 6,895,230 | 3 | 2,901,168 | 2 |

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| | | | | | |
|----|--|-------------|-----|-------------|-----|
| 6 | INVENTORIES | 1,119,977 | 0 | 849,331 | 0 |
| 7 | OTHER CURRENT ASSETS | 9,352,717 | 4 | 8,800,705 | 5 |
| 8 | LONG - TERM | 1,153,133 | 0 | 892,066 | 1 |
| 9 | ACCOUNTS RECEIVABLE, NET | 0 | 0 | 0 | 0 |
| 10 | INVESTMENT IN SHARES OF SUBSIDIARIES AND AFFILIATES NON-CONSOLIDATED | 779,595 | 0 | 731,467 | 0 |
| 11 | OTHER INVESTMENTS | 373,538 | 0 | 160,599 | 0 |
| 12 | PLANT, PROPERTY AND EQUIPMENT, NET | 146,917,760 | 59 | 125,108,900 | 73 |
| 13 | PROPERTY | 0 | 0 | 0 | 0 |
| 14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 404,025,267 | 163 | 304,806,884 | 178 |
| 15 | OTHER EQUIPMENTS | 0 | 0 | 0 | 0 |
| 16 | ACCUMULATED DEPRECIATION | 262,302,797 | 106 | 182,389,884 | 107 |
| 17 | CONSTRUCTIONS IN PROGRESS | 5,195,290 | 2 | 2,691,900 | 2 |
| 18 | DEFERRED ASSETS, NET | 9,938,630 | 4 | 727,698 | 0 |
| 19 | OTHER ASSETS | 26,886,308 | 11 | 7,994,244 | 5 |
| 20 | TOTAL LIABILITIES | 152,563,782 | 100 | 99,813,675 | 100 |
| 21 | CURRENT LIABILITIES | 53,166,658 | 35 | 37,648,931 | 38 |
| 22 | SUPPLIERS | 0 | 0 | 0 | 0 |
| 23 | BANK LOANS | 10,417,167 | 7 | 8,561,077 | 9 |
| 24 | STOCK MARKET LOANS | 850,000 | 1 | 11,165,303 | 11 |
| 25 | TAXES PAYABLE | 5,832,273 | 4 | 1,912,041 | 2 |
| 26 | OTHER CURRENT LIABILITIES | 36,067,218 | 24 | 16,010,510 | 16 |
| 27 | LONG - TERM LIABILITIES | 77,172,968 | 51 | 42,834,035 | 43 |
| 28 | BANK LOANS | 42,046,468 | 28 | 17,789,275 | 18 |
| 29 | STOCK MARKET LOANS | 35,126,500 | 23 | 25,044,760 | 25 |
| 30 | OTHER LOANS | 0 | 0 | 0 | 0 |
| 31 | DEFERRED CREDITS | 20,671,279 | 14 | 15,072,437 | 15 |
| 32 | OTHER LIABILITIES | 1,552,877 | 1 | 4,258,272 | 4 |
| 33 | CONSOLIDATED STOCKHOLDERS' EQUITY | 95,015,878 | 100 | 71,198,171 | 100 |
| 34 | MINORITY INTEREST | 8,574,994 | 9 | 0 | 0 |

| | | | | | |
|----|---|--------------|------|--------------|-------|
| 35 | MAJORITY INTEREST | 86,440,884 | 91 | 71,198,171 | 100 |
| 36 | CONTRIBUTED CAPITAL | 46,737,603 | 49 | 40,717,946 | 57 |
| 37 | CAPITAL STOCK (NOMINAL) | 298,281 | 0 | 307,205 | 0 |
| 38 | RESTATEMENT OF CAPITAL STOCK | 28,015,404 | 29 | 28,616,860 | 40 |
| 39 | PREMIUM ON SALES OF SHARES | 18,423,918 | 19 | 11,793,881 | 17 |
| 40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 | 0 | 0 |
| 41 | CAPITAL INCREASE (DECREASE) | 39,703,281 | 42 | 30,480,225 | 43 |
| 42 | RETAINED EARNINGS AND CAPITAL RESERVE | 87,440,120 | 92 | 87,446,290 | 123 |
| 43 | RESERVE FOR REPURCHASE OF OWN SHARES | 0 | 0 | 0 | 0 |
| 44 | EXCESS (SHORTFALL) FROM RESTATEMENT OF STOCKHOLDERS' EQUITY | (64,508,187) | (68) | (74,397,020) | (104) |
| 45 | NET INCOME | 16,771,348 | 18 | 17,430,955 | 24 |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-02

CONSOLIDATED BALANCE SHEETS

- BREAKDOWN OF MAIN CONCEPTS -

(Thousand Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|--|--------------------------------------|----------------------------------|---------------------------------------|-----|
| | | Amount | % | Amount | % |
| | | 3 | CASH AND SHORT- TERM INVESTMENTS | 19,324,323 | 100 |
| 46 | CASH | 1,502,034 | 8 | 1,235,648 | 34 |
| 47 | SHORT-TERM INVESTMENTS | 17,822,289 | 92 | 2,389,703 | 66 |
| 18 | DEFERRED ASSETS, NET | 9,938,630 | 100 | 727,698 | 100 |
| 48 | AMORTIZED OR REDEEMED EXPENSES | 1,529,360 | 15 | 617,377 | 85 |
| 49 | GOODWILL | 3,919,044 | 39 | 110,321 | 15 |
| 50 | DEFERRED TAXES | 4,490,226 | 45 | 0 | 0 |
| 51 | OTHERS | 0 | 0 | 0 | 0 |
| 21 | CURRENT LIABILITIES | 53,166,658 | 100 | 37,648,931 | 100 |
| 52 | FOREIGN CURRENCY LIABILITIES | 9,617,167 | 18 | 16,491,980 | 44 |
| 53 | MEXICAN PESOS LIABILITIES | 43,549,491 | 82 | 21,156,951 | 56 |
| 24 | STOCK MARKET SHORT-TERM SECURITIES | 850,000 | 100 | 11,165,303 | 100 |
| 54 | COMMERCIAL PAPER | 0 | 0 | 1,867,294 | 17 |
| 55 | MEDIUM-TERM NOTES | 0 | 0 | 0 | 0 |
| 56 | CURRENT MATURITIES OF SECURITIES | 850,000 | 100 | 9,298,009 | 83 |
| 26 | OTHER CURRENT LIABILITIES | 36,067,218 | 100 | 16,010,510 | 100 |
| 57 | OTHER CURRENT LIABILITIES WITH COST | 0 | 0 | 0 | 0 |
| 58 | OTHER CURRENT LIABILITIES WITHOUT COST | 36,067,218 | 100 | 16,010,510 | 100 |
| 27 | LONG - TERM LIABILITIES | 77,172,968 | 100 | 42,834,035 | 100 |
| 59 | FOREIGN CURRENCY LIABILITIES | 70,072,968 | 91 | 35,007,811 | 82 |
| 60 | MEXICAN PESOS LIABILITIES | 7,100,000 | 9 | 7,826,224 | 18 |
| 29 | STOCK MARKET LONG-TERM SECURITIES | 35,126,500 | 100 | 25,044,760 | 100 |
| 61 | BONDS | 35,126,500 | 100 | 25,044,760 | 100 |

| | | | | | |
|----|--|--------------|------|--------------|------|
| 62 | MEDIUM-TERM NOTES | 0 | 0 | 0 | 0 |
| 30 | OTHER LOANS | 0 | 100 | 0 | 100 |
| 63 | OTHER LOANS WITH COST | 0 | 0 | 0 | 0 |
| 64 | OTHER LOANS WITHOUT COST | 0 | 0 | 0 | 0 |
| 31 | DEFERRED CREDITS | 20,671,279 | 100 | 15,072,437 | 100 |
| 65 | GOODWILL | 0 | 0 | 0 | 0 |
| 66 | DEFERRED TAXES | 20,671,279 | 100 | 15,072,437 | 100 |
| 67 | OTHERS | 0 | 0 | 0 | 0 |
| 32 | OTHER LIABILITIES | 1,552,877 | 100 | 4,258,272 | 100 |
| 68 | RESERVES | 1,552,877 | 100 | 4,258,272 | 100 |
| 69 | OTHERS LIABILITIES | 0 | 0 | 0 | 0 |
| 44 | EXCESS (SHORTFALL) FROM RESTATEMENTS OF STOCKHOLDERS' EQUITY | (64,508,187) | 100 | (74,397,020) | 100 |
| 70 | ACCUMULATED MONETARY POSITION INCOME | (13,353,963) | (21) | (13,354,313) | (18) |
| 71 | RESULT FROM HOLDING NON-MONETARY ASSETS | (51,154,224) | (79) | (61,042,707) | (82) |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-03

CONSOLIDATED BALANCE SHEETS

- OTHER CONCEPTS -

(Thousand Pesos)

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|--|--------------------------------------|--|
| | | Amount | Amount |
| 72 | WORKING CAPITAL | 9,517,171 | (1,359,993) |
| 73 | PENSIONS FUND AND SENIORITY PREMIUMS | 1,552,877 | 4,258,272 |
| 74 | EXECUTIVES (*) | 124 | 134 |
| 75 | EMPLOYEES (*) | 22,858 | 11,356 |
| 76 | WORKERS (*) | 52,047 | 51,234 |
| 77 | OUTSTANDING SHARES (*) | 11,931,234,854 | 12,288,194,094 |
| 78 | REPURCHASE OF OWN SHARES (*) | 569,162,600 | 488,907,631 |
| | | | |
| | | | |
| (*) | THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS. | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-04

CONSOLIDATED STATEMENTS OF INCOME

- FROM JULY 01 TO SEPTEMBER 30, 2004 & 2003 -

(Thousand Pesos)

| REF R | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|--|-----------------------|-----|------------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| 1 | OPERATING REVENUES | 96,287,432 | 100 | 89,572,797 | 100 |
| 2 | COST OF SALES AND SERVICES | 50,314,404 | 52 | 46,034,327 | 51 |
| 3 | GROSS INCOME | 45,973,028 | 48 | 43,538,470 | 49 |
| 4 | OPERATING COSTS | 15,217,210 | 16 | 13,449,108 | 15 |
| 5 | OPERATING INCOME | 30,755,818 | 32 | 30,089,362 | 34 |
| 6 | COMPREHENSIVE FINANCING COST | 1,676,866 | 2 | 3,039,994 | 3 |
| 7 | INCOME AFTER COMPREHENSIVE FINANCING COST | 29,078,952 | 30 | 27,049,368 | 30 |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 0 | 0 | 0 |
| 9 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 29,078,952 | 30 | 27,049,368 | 30 |
| 10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 12,209,344 | 13 | 9,473,937 | 11 |
| 11 | INCOME AFTER INCOME TAX AND EMPLYEE PROFIT SHARING | 16,869,608 | 18 | 17,575,431 | 20 |
| 12 | EQUITY IN RESULTS OF SUBSIDIARIES AND AFFILIATES | (74,980) | 0 | (144,476) | 0 |
| 13 | INCOME FROM CONTINUOUS OPERATIONS | 16,794,628 | 17 | 17,430,955 | 19 |
| 14 | INCOME FROM DISCONTINUOUS OPERATIONS, NET | 0 | 0 | 0 | 0 |
| 15 | NET INCOME BEFORE EXTRAORDINARY ITEMS | 16,794,628 | 17 | 17,430,955 | 19 |
| 16 | EXTRAORDINARY ITEMS NET EXPENDITURES (REVENUES) | 0 | 0 | 0 | 0 |
| 17 | NET EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES | 0 | 0 | 0 | 0 |
| 18 | NET INCOME | 16,794,628 | 17 | 17,430,955 | 19 |
| 19 | MINORITY INTEREST | 23,280 | 0 | 0 | 0 |
| 20 | MAJORITY INTEREST | 16,771,348 | 17 | 17,430,955 | 19 |
| | | | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-05

CONSOLIDATED STATEMENTS OF INCOME

- BREAKDOWN OF MAIN CONCEPTS -

(Thousand Pesos)

Final printing

| REF R | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|--|-----------------------|------|------------------------|------|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| 1 | OPERATING REVENUES | 96,287,432 | 100 | 89,572,797 | 100 |
| 21 | DOMESTIC | 88,326,999 | 92 | 88,150,603 | 98 |
| 22 | FOREIGN | 7,960,433 | 8 | 1,422,194 | 2 |
| 23 | TRANSLATION INTO DOLLARS (***) | 697,635 | 1 | 127,402 | 0 |
| | | | | | |
| 6 | COMPREHENSIVE FINANCING COST | 1,676,866 | 100 | 3,039,994 | 100 |
| 24 | INTEREST EXPENSE | 4,435,768 | 265 | 4,628,048 | 152 |
| 25 | EXCHANGE LOSS | 428,790 | 26 | 2,235,214 | 74 |
| 26 | INTEREST INCOME | 1,711,139 | 102 | 2,708,002 | 89 |
| 27 | EXCHANGE GAIN | 0 | 0 | 0 | 0 |
| 28 | INCOME DUE TO MONETARY POSITION | (1,476,553) | (88) | (1,115,266) | (37) |
| 42 | RESTATEMENT OF UDIS'S LOSS | 0 | 0 | 0 | 0 |
| 43 | RESTATEMENT OF UDIS'S PROFIT | 0 | 0 | 0 | 0 |
| | | | | | |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 100 | 0 | 100 |
| 29 | OTHER INCOME AND EXPENSES, NET | 0 | 0 | 0 | 0 |
| 30 | LOSS (PROFIT) ON SALE OF OWN SHARES | 0 | 0 | 0 | 0 |
| | | | | | |

| | | | | | |
|-------|--|------------|-----|-----------|-----|
| 31 | LOSS (PROFIT) ON SALE OF SHORT-TERM INVESTMENTS | 0 | 0 | 0 | 0 |
| 10 | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 12,209,344 | 100 | 9,473,937 | 100 |
| 32 | INCOME TAX | 10,706,098 | 88 | 7,970,897 | 84 |
| 33 | DEFERRED INCOME TAX | (481,066) | (4) | (361,420) | (4) |
| 34 | EMPLOYEE PROFIT SHARING | 1,984,312 | 16 | 1,864,460 | 20 |
| 35 | DEFERRED EMPLOYEE PROFIT SHARING | 0 | 0 | 0 | 0 |
| (***) | THOUSAND DOLLARS | | | | |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-06

CONSOLIDATED STATEMENTS OF INCOME

- OTHER CONCEPTS -

(Thousand Pesos)

Final printing

| REF R | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|-------------------------|--------------------------------------|--|
| | | Amount | Amount |
| 36 | TOTAL REVENUES | 96,287,431 | 89,572,796 |
| 37 | NET INCOME | 0 | 0 |
| 38 | OPERATING REVENUES (**) | 127,477,001 | 121,155,119 |

| | | | |
|------|---------------------------------------|------------|------------|
| 39 | OPERATING INCOME (**) | 41,529,486 | 41,654,688 |
| 40 | NET INCOME OF MAJORITY INTEREST (**) | 22,542,223 | 23,108,998 |
| 41 | NET INCOME (**) | 22,565,503 | 23,108,998 |
| | | | |
| | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-07

CONSOLIDATED STATEMENTS OF INCOME

- FROM JULY 01 TO SEPTEMBER 30, 2004 & 2003 -

(Thousand Pesos)

Final printing

| REF RT | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|-----------|---|--------------------------------------|--------------------|---------------------------------------|-----|
| | | Amount | % | Amount | % |
| | | 1 | OPERATING REVENUES | 36,164,623 | 100 |
| 2 | COST OF SALES AND SERVICES | 18,941,205 | 52 | 15,654,118 | 51 |
| 3 | GROSS INCOME | 17,223,418 | 48 | 14,905,682 | 49 |
| 4 | OPERATING COST | 6,136,900 | 17 | 4,591,921 | 15 |
| 5 | OPERATING INCOME | 11,086,518 | 31 | 10,313,761 | 34 |
| 6 | COMPREHENSIVE FINANCING COST | (36,156) | (0) | 2,146,442 | 7 |
| 7 | INCOME AFTER COMPREHENSIVE FINANCING COST | 11,122,674 | 31 | 8,167,319 | 27 |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 0 | 0 | 0 |

| | | | | | |
|----|---|------------|----|-----------|----|
| 9 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 11,122,674 | 31 | 8,167,319 | 27 |
| 10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 4,361,168 | 12 | 2,551,892 | 8 |
| 11 | INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 6,761,506 | 19 | 5,615,427 | 18 |
| 12 | EQUITY IN RESULTS OF SUBSIDIARIES AND AFFILIATES | (33,796) | 0 | (39,821) | 0 |
| 13 | INCOME FROM CONTINUOUS OPERATIONS | 6,727,710 | 19 | 5,575,606 | 18 |
| 14 | INCOME FROM DISCONTINUOUS OPERATIONS, NET | 0 | 0 | 0 | 0 |
| 15 | NET INCOME BEFORE EXTRAORDINARY ITEMS | 6,727,710 | 19 | 5,575,606 | 18 |
| 16 | EXTRAORDINARY ITEMS NET EXPENDITURES (REVENUES) | 0 | 0 | 0 | 0 |
| 17 | NET EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES | 0 | 0 | 0 | 0 |
| 18 | NET INCOME | 6,727,710 | 19 | 5,575,606 | 18 |
| 19 | MINORITY INTEREST | 23,280 | 0 | 0 | 0 |
| 20 | MAJORITY INTEREST | 6,704,430 | 19 | 5,575,606 | 18 |
| | | | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-08

CONSOLIDATED STATEMENTS OF INCOME, FOURTH QUARTER

- BREAKDOWN OF MAIN CONCEPTS -

(Thousand Pesos)

Final printing

| REF RT | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|-----------|---|-----------------------|---------|------------------------|------|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| 1 | OPERATING REVENUES | 36,164,623 | 100 | 30,559,800 | 100 |
| 21 | DOMESTIC | 29,959,150 | 83 | 29,928,041 | 98 |
| 22 | FOREIGN | 6,205,473 | 17 | 631,759 | 2 |
| 23 | TRANSLATION INTO DOLLARS (***) | 545,521 | 2 | 57,205 | 0 |
| | | | | | |
| 6 | COMPREHENSIVE FINANCING COST | (36,156) | 100 | 2,146,442 | 100 |
| 24 | INTEREST EXPENSE | 1,593,284 | 4,407 | 1,637,950 | 76 |
| 25 | EXCHANGE LOSS | 0 | 0 | 1,534,335 | 71 |
| 26 | INTEREST INCOME | 627,192 | 1,735 | 660,137 | 31 |
| 27 | EXCHANGE GAIN | 256,610 | 710 | 0 | 0 |
| 28 | INCOME DUE TO MONETARY POSITION | (745,638) | (2,062) | (365,706) | (17) |
| 42 | RESTATEMENT OF UDI'S LOSS | 0 | 0 | 0 | 0 |
| 43 | RESTATEMENT OF UDI'S PROFIT | 0 | 0 | 0 | 0 |
| | | | | | |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 100 | 0 | 100 |
| 29 | OTHER INCOME AND EXPENSES, NET | 0 | 0 | 0 | 0 |
| 30 | LOSS (PROFIT) ON SALE OF OWN SHARES | 0 | 0 | 0 | 0 |
| 31 | LOSS (PROFIT) ON SALE OF SHORT-TERM INVESTMENTS | 0 | 0 | 0 | 0 |
| | | | | | |
| 10 | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 4,361,168 | 100 | 2,551,892 | 100 |
| 32 | INCOME TAX | 3,917,532 | 90 | 2,308,663 | 90 |
| 33 | DEFERRED INCOME TAX | (89,795) | (2) | (376,777) | (15) |
| 34 | EMPLOYEE PROFIT SHARING | 533,431 | 12 | 620,006 | 24 |
| 35 | DEFERRED EMPLOYEE PROFIT SHARING | 0 | 0 | 0 | 0 |
| | | | | | |
| | | | | | |
| (***) | THOUSANDS OF DOLLARS | | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-09

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

- FROM JULY 01 TO SEPTEMBER 30, 2004 & 2003 -

(Thousand Pesos)

Final printing

| REF C | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|--|--|--|
| | | Amount | Amount |
| 1 | NET INCOME | 16,794,628 | 17,430,955 |
| 2 | ADD (DEDUCT) ITEMS NOT REQUIRING THE USE OF RESOURCES | 16,190,688 | 15,507,869 |
| 3 | CASH FLOW FROM NET INCOME FOR THE YEAR | 32,985,316 | 32,938,824 |
| 4 | CASH FLOW FROM CHANGES IN WORKING CAPITAL | 8,155,480 | (15,730,223) |
| 5 | RESOURCES PROVIDED BY OPERATING ACTIVITIES | 41,140,796 | 17,208,601 |
| 6 | CASH FLOW FROM OUTSIDE FINANCING | 1,468,739 | (8,510,880) |
| 7 | CASH FLOW FROM OWN FINANCING | (10,320,737) | (14,359,677) |
| 8 | RESOURCES PROVIDED BY FINANCING ACTIVITIES | (8,851,998) | (22,870,557) |
| 9 | RESOURCES PROVIDED BY INVESTMENT ACTIVITIES | (23,494,080) | (4,422,278) |
| 10 | NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS | 8,794,718 | (10,084,234) |
| 11 | CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD | 10,529,605 | 13,709,585 |
| 12 | | 19,324,323 | 3,625,351 |

| | | | |
|--|---|--|--|
| | CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD | | |
| | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-10

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

- BREAKDOWN OF MAIN CONCEPTS -

(Thousand Pesos)

Final printing

| REF C | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|---|--|---|
| | | Amount | Amount |
| 2 | ADD (DEDUCT) ITEMS NOT REQUIRING THE USE OF RESOURCES | 16,190,688 | 15,507,869 |
| 13 | (+)DEPRECIATION AND AMORTIZATION FOR THE YEAR | 16,620,054 | 15,724,814 |
| 14 | +(-) NET INCREASE (DECREASE) IN PENSIONS FUND AND SENIORITY PREMIUMS | 0 | 0 |
| 15 | +(-) NET LOSS (PROFIT) IN MONEY EXCHANGE | 0 | 0 |
| 16 | +(-) NET LOSS (PROFIT) IN ASSETS AND LIABILITIES ACTUALIZATION | 0 | 0 |
| 17 | +(-) OTHER ITEMS | 0 | 0 |
| 40 | (+) OHTER ITMES NOT CONSIDERED FOR EBITDA CALCULATION | (429,366) | (216,945) |
| | | | |

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| | | | |
|----|---|--------------|--------------|
| 4 | CASH FLOW FROM CHANGES IN WORKING CAPITAL | 8,155,480 | (15,730,223) |
| 18 | +(-) DECREASE (INCREASE) IN ACCOUNT RECEIVABLE | (1,568,916) | (1,600,346) |
| 19 | +(-) DECREASE (INCREASE) IN INVENTORIES | (37,750) | 359,326 |
| 20 | +(-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLE AND OTHER ASSETS | 5,087,746 | (6,159,053) |
| 21 | +(-) INCREASE (DECREASE) IN SUPPLIERS ACCOUNT | 0 | 0 |
| 22 | +(-) INCREASE (DECREASE) IN OTHER LIABILITIES | 4,674,400 | (8,330,150) |
| | | | |
| 6 | CASH FLOW FROM OUTSIDE FINANCING | 1,468,739 | (8,510,880) |
| 23 | + SHORT-TERM BANK FINANCING AND DEBT SECURITIES | 31,848,113 | 22,216,573 |
| 24 | + LONG-TERM BANK FINANCING AND DEBT SECURITIES | 364,804 | 0 |
| 25 | + DIVIDEND RECEIVED | 0 | 0 |
| 26 | + OTHER FINANCING | 0 | 1,637,422 |
| 27 | (-) BANK FINANCING AMORTIZATION | (27,570,627) | (31,575,792) |
| 28 | (-) DEBT SECURITIES AMORTIZATION | (1,037,448) | (789,083) |
| 29 | (-) OTHER FINANCING AMORTIZATION | (2,136,103) | 0 |
| | | | |
| 7 | CASH FLOW FROM OWN FINANCING | (10,320,737) | (14,359,677) |
| 30 | +(-) INCREASE (DECREASE) IN CAPITAL STOCK | (304,805) | (832,932) |
| 31 | (-) DIVIDENS PAID | (6,023,454) | (5,932,802) |
| 32 | + PREMIUM ON SALE OF SHARES | 6,630,344 | 0 |
| 33 | + CONTRIBUTION FOR FUTURE CAPITAL INCREASES | (10,622,822) | (7,593,943) |
| | | | |
| 9 | RESOURCES PROVIDED BY INVESTMENT ACTIVITIES | (23,494,080) | (4,422,278) |
| 34 | +(-) DECREASE (INCREASE) IN STOCK INVESTMENTS OF PERMANENT NATURE | (9,293,578) | (1,122) |
| 35 | (-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT | (9,818,879) | (4,999,030) |
| 36 | (-) INCREASE IN CONSTRUCTIONS IN PROCESS | (764,067) | 0 |
| 37 | + SALE OF OTHER PERMANENT INVESTMENTS | 0 | 0 |
| 38 | + SALE OF TANGIBLE FIXED ASSETS | 0 | 0 |
| | | | |

| | | | |
|----|------------------|-------------|---------|
| 39 | +(-) OTHER ITEMS | (3,617,556) | 577,874 |
|----|------------------|-------------|---------|

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FI-01

RATIOS

- CONSOLIDATED INFORMATION -

(Thousand Pesos)

Final printing

| REF P | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|---|--|-------|---|-------|
| | YIELD | | | | |
| 1 | NET INCOME TO OPERATING REVENUES | 17.44 | % | 19.46 | % |
| 2 | NET INCOME TO STOCKHOLDERS' EQUITY (**) | 26.08 | % | 32.46 | % |
| 3 | NET INCOME TO TOTAL ASSETS (**) | 9.11 | % | 13.51 | % |
| 4 | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME | 25.96 | % | 28.21 | % |
| 5 | INCOME DUE TO MONETARY POSITION TO NET INCOME | 8.79 | % | 6.40 | % |
| | ACTIVITY | | | | |
| 6 | OPERATING REVENUES TO TOTAL ASSETS (**) | 0.51 | times | 0.71 | times |
| 7 | OPERATING REVENUES TO FIXED ASSETS (**) | 0.87 | times | 0.97 | times |
| 8 | INVENTORIES ROTATION (**) | 55.32 | times | 46.05 | times |
| 9 | ACCOUNTS RECEIVABLE IN DAYS OF SALES | 63 | days | 53 | days |

| | | | | | |
|------|---|---------|-------|---------|-------|
| 10 | INTEREST PAID TO TOTAL LIABILITIES WITH COST (**) | 6.31 | % | 9.65 | % |
| | LEVERAGE | | | | |
| 11 | TOTAL LIABILITIES TO TOTAL ASSETS | 61.62 | % | 58.37 | % |
| 12 | TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY | 1.61 | times | 1.40 | times |
| 13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 52.23 | % | 51.60 | % |
| 14 | LONG-TERM LIABILITIES TO FIXED ASSETS | 52.53 | % | 34.24 | % |
| 15 | OPERATING INCOME TO INTEREST EXPENSE | 6.93 | times | 6.50 | times |
| 16 | OPERATING REVENUES TO TOTAL LIABILITIES (**) | 0.84 | times | 1.21 | times |
| | LIQUIDITY | | | | |
| 17 | CURRENT ASSETS TO CURRENT LIABILITIES | 1.18 | times | 0.96 | times |
| 18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 1.16 | times | 0.94 | times |
| 19 | CURRENT ASSETS TO TOTAL LIABILITIES | 0.41 | times | 0.36 | times |
| 20 | AVAILABLE ASSETS TO CURRENT LIABILITIES | 36.35 | % | 9.63 | % |
| | STATEMENT OF CHANGES IN FINANCIAL POSITION | | | | |
| 21 | CASH FLOW FROM NET INCOME TO OPERATING REVENUES | 34.26 | % | 36.77 | % |
| 22 | CASH FLOW FROM CHANGES IN WORKING CAPITAL TO OPERATING REVENUES | 8.47 | % | (17.56) | % |
| 23 | RESOURCES PROVIDED BY OPERATING ACTIVITIES TO INTEREST EXPENSES | 9.27 | times | 3.72 | times |
| 24 | OUTSIDE FINANCING TO RESOURCES PROVIDED BY FINANCING ACTIVITIES | (16.59) | % | 37.21 | % |
| 25 | OWN FINANCING TO RESOURCES PROVIDED BY FINANCING ACTIVITIES | 116.59 | % | 62.79 | % |
| 26 | ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT TO RESOURCES PROVIDED BY INVESTMENT ACTIVITIES | 41.79 | % | 113.04 | % |
| | | | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | | | |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FI-02

DATA PER SHARE

- CONSOLIDATED INFORMATION -

(Thousand Pesos)

Final printing

| REF D | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|---|--|--------|--|--------|
| | | Amount | | Amount | |
| 1 | BASIC INCOME PER ORDINARY SHARE (**) | 1.88 | \$ | 1.84 | \$ |
| 2 | BASIC INCOME PER PREFERENT SHARE (**) | 0.00 | \$ | 0.00 | \$ |
| 3 | INCOME PER DILUTED SHARE (**) | 0.00 | \$ | 0.00 | \$ |
| 4 | INCOME FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | 1.88 | \$ | 1.84 | \$ |
| 5 | EFFECT OF DISCONTINUOUS OPERATIONS ON INCOME FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | 0.00 | \$ | 0.00 | \$ |
| 6 | EFFECT OF EXTRAORDINARY INCOME ON INCOME FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | 0.00 | \$ | 0.00 | \$ |
| 7 | EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES ON INCOME FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | 0.00 | \$ | 0.00 | \$ |
| 8 | CARRYING VALUE PER SHARE | 7.24 | \$ | 5.79 | \$ |
| 9 | ACUMULATED CASH DIVIDEND PER SHARE | 0.50 | \$ | 0.48 | \$ |
| 10 | SHARE DIVIDENDS PER SHARE | 0.00 | shares | 0.00 | shares |
| 11 | MARKET PRICE TO CARRYING VALUE | 2.52 | times | 3.02 | times |
| 12 | MARKET PRICE TO BASIC INCOME PER ORDINARY SHARE (**) | 9.69 | times | 9.49 | times |
| 13 | MARKET PRICE TO BASIC INCOME PER PREFERENT SHARE (**) | 0.00 | times | 0.00 | times |
| | | | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | | | |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 1

CHIEF EXECUTIVE OFFICER REPORT

Consolidated

Final printing

Mexico City, October 19, 2004.

Consolidated Financial Results

- Operating revenues increased 18.3% in the third quarter
- EBITDA increased 8.2% in the quarter
- Operating income increased 7.5% compared with the third quarter of 2003
- Earnings per share were 0.56 pesos and 0.98 dollars per ADR

International Businesses

Starting with the 2004 third quarter TELMEX is including the operations of Metrored, TELMEX Corp. (Chilesat) and Embratel in its consolidated results. The reports will include consolidated results for all the operations controlled by TELMEX as well as income statements by country.

Revenues

: At September 30, revenues for TELMEX and its subsidiaries in Mexico and South America rose to 36,165 million pesos, an increase of 18.3% compared with the same period of 2003. For the nine months, revenues increased 7.5%, totaling 96,287 million pesos.

Costs and Expenses:

Operating costs and expenses totaled 25,079 million pesos, 23.9% higher than the same quarter of the previous year. For the nine months, operating costs and expenses increased 10.2%, totaling 65,532 million pesos.

EBITDA and Operating Income:

EBITDA rose to 17,062 million pesos in the quarter, 8.2% higher than the same period of 2003 and the EBITDA margin was 47.2%. Operating income totaled 11,086 million pesos, an increase of 7.5%, and the margin was 30.6% in the quarter. For the nine months, EBITDA and operating income totaled 47,375 million pesos and 30,755 million pesos, reflecting increases of 3.4% and 2.2%, respectively. The EBITDA margin was 49.2% and the operating margin was 31.9%.

Comprehensive Financing Cost:

Comprehensive financing cost was positive by 37 million pesos in the quarter. This result was due to a net interest charge of 966 million pesos, partially offset by monetary gain of 746 million pesos and an exchange gain of 257 million pesos resulting from the 0.01% appreciation of the peso to the US dollar (11.4106 pesos per dollar in 3Q04 vs. 11.4116 pesos per dollar in 2Q04) and the 8.0% appreciation of the Brazilian real to the US dollar (2.8586 reales per dollar in 3Q04 vs. 3.1075 reales per dollar in 2Q04). At September 30, comprehensive financing cost was 1,677 million pesos, 44.8% lower than the same period of 2003.

Net Income:

Net income totaled 6,705 million pesos in the third quarter, 20.2% higher than the same period of the previous year. For the nine months, net income totaled 16,771 million pesos, 3.8% lower than the same period of 2003. The minority interest, primarily reflecting the 80.7% minority ownership in Embratel, was 23 million pesos. Earnings per share for the third quarter, based on the number of shares outstanding at period end, were 0.56 pesos, and earnings per ADR were 0.98 dollars.

Debt:

Debt rose 13.9% to 7.751 billion dollars compared with 6.810 billion dollars at September 30, 2003 (which includes Embratel's debt at that date for purposes of comparison). The net increase in debt of 941 million dollars reflects the disposal of 1.9 billion dollars from the syndicated bank loan of 2.425 billion dollars that TELMEX obtained in July 2004. Of total debt, 12.7% is short-term, 85.2% is in foreign currency (66.3% considering hedges), and 41.0% carries a fixed rate (55.0% considering interest rate swaps). At September 30, 2004, TELMEX carried out interest rate swaps for 12,390 million pesos, producing a new fixed rate of 9.2%, and currency hedges for 1.468 billion dollars, of which 76.6% is related to hedges of pesos to dollars and 23.4% to hedges of reales to dollars.

Of debt especially related to TELMEX Mexico, 7.8% is short-term, 88.2% is foreign denominated (70.8% considering hedges), and 41.0% carries a fixed rate (57.7% considering interest rate swaps). In the case of Embratel, 39.2% of its debt is short-term, 70.5% is foreign denominated (41.9% considering hedges) and 38.8% of the total has fixed rates.

Total Investment:

At September 30, total investment was 922 million dollars, of which 53 million dollars were used for the operations in South America.

Dividends:

On September 17, and on September 24 in the United States, the second 2004 dividend payment of 17 Mexican cents was made as declared by the Board of Directors based on net income in 2003. The amount paid was 2,034 million pesos. The third dividend payment will be made on December 16 in Mexico and 5 working days later to registered

shareholders in the United States.

Repurchase of Shares

During the third quarter, the company repurchased 187,625,100 shares, representing 1.6% of outstanding shares at the end of June.

Mexico Operating Results

Local

Net line gain for the quarter was 350,826 as a result of 547,417 connections and 196,591 disconnections. At September 30, there were 16,816,480 lines in service, an annual increase of 9.5%. Of the additions during the quarter, the prepaid system generated 33.1%, bringing the total of Multifon Hogar lines to 1,015,281, 97.9% more than the previous year and representing 6.0% of lines in service.

In the third quarter, digital services attained market penetration of 37.4% of lines in service, 3.1 percentage points higher than the same period of the previous year. At September 30, there were 6,882,027 free voice mails (Buzon TELMEX) in operation, an increase of 44.6% compared with the previous year and representing penetration of 40.9% of lines in service.

During the quarter, 6,736 million local calls were made, an annual decrease of 2.0%. For the nine months, total local traffic was 20,199 million calls, 1.3% higher than the same period of 2003.

Interconnection traffic totaled 7,817 million minutes during the quarter, 17.6% more than in the same period of the previous year. For the nine months, interconnection traffic increased 15.4% compared with the same period of last year, totaling 22,182 million minutes.

Long distance

In the third quarter, DLD traffic totaled 4,322 million minutes, 10.3% higher than the same period of 2003. For the nine months, DLD traffic totaled 12,510 million minutes, an increase of 7.7% compared with the same period of the previous year.

ILD outgoing minutes increased 8.2%, totaling 429 million minutes. Incoming ILD minutes totaled 1,212 million minutes, 51.5% higher than the same period of 2003. The incoming-outgoing ratio was 2.8 compared with 2.0 last year. For the nine months, ILD outgoing minutes totaled 1,263 million and incoming 3,319 million, providing increases of 8.2% and 71.0%, respectively, compared with the same period of 2003.

Internet

At September 30, Internet access accounts - both dial-up and broadband - rose to 1,604,204, an increase of 16.9% compared with the same period of the previous year. In the third quarter, the number of new broadband (ADSL) customers more than doubled compared with the same period of the previous year as 116,706 customers were added to the Prodigy Infinitum service. At September 30, there were 456,012 Prodigy Infinitum accounts in operation, 200.7% more than the same period of 2003.

Internet dial-up benefited from the introduction of Prodigy on a per minute basis, which has added more than 51 thousand customers.

Corporate Networks

In the corporate data transmission market, 217,860 line equivalents were added during the third quarter, an annual increase of 37.2%, bringing the total to 2,986,840 line equivalents for data transmission.

Revenues:

In the third quarter of 2004, total revenues from operations in Mexico rose to 30,520 million pesos, almost at the same level as the same period of the previous year. For the nine months, revenues for Mexico totaled 89,916 million pesos, an annual increase of 0.4%.

Local

: Revenues decreased 3.0%. Line increases were offset by the lack of growth in local traffic, producing a reduction in real terms in revenue per line. For the nine months, these revenues decreased 0.5% compared with the same period of the previous year.

DLD

: Revenues decreased 7.0% in the third quarter due to the reduction of the rate per minute in real terms, which was not offset by higher traffic volume. For the nine months, the decrease was 9.3%.

ILD

: Revenues decreased 3.7% compared with the third quarter of 2003 due to the reduction of the rate per minute in real terms, partially offset by growth of international settlement due to more incoming traffic. For the nine months, the decrease was 0.8%.

Interconnection

: Revenues increased 3.9% compared with the third quarter of the previous year as a result of higher traffic originated by cellular users that is terminated on TELMEX's network. For the nine months, interconnection revenues increased 1.4% compared with the same period of 2003.

Corporate networks

: Revenues related to connectivity services increased 6.0% in the third quarter due to the higher number of line equivalents in operation. For the nine months, these revenues increased 2.3%.

Internet:

Internet-related revenues rose 22.8% in the third quarter mainly due to the increase in the number of broadband users (Infinitum). For the nine months, these revenues increased 26.2%.

Other:

Other revenues increased 8.6% in the third quarter due to higher sales of telecommunications equipment and yellow pages. For the nine months, these revenues increased 6.9%.

Costs and expenses:

Costs and expenses totaled 19,459 million pesos in the third quarter, a decrease of 3.9% compared with the same period of 2003. For the nine months, operating costs and expenses in Mexico totaled 59,043 million pesos, a decrease of 0.7% compared with the previous year.

Cost of sales and services:

The cost of sales and services decreased 5.2% due to lower costs for prepaid cards, telephone handsets and lower maintenance expenses. For the nine months, these costs decreased 0.8%.

Commercial, administrative and general expenses:

Commercial, administrative and general expenses increased 0.8% in the quarter due to higher advertising campaigns related to broadband Internet. For the nine months, these expenses were unchanged from a year ago.

Transport and interconnection:

Transport and interconnection costs increased 1.0% compared with the third quarter of the previous year, due to the increase of traffic from local and long distance operators as well as termination traffic in the cellular network from Calling Party Pays. For the nine months, these expenses increased 0.8%.

Depreciation and Amortization:

Depreciation and amortization decreased 9.0% compared with the third quarter of the previous year and 2.2% for the nine months.

EBITDA and Operating Income:

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EBITDA and operating income totaled 16,024 million pesos and 11,061 million pesos, respectively, reflecting annual increases of 1.6% in EBITDA and 7.2% in operating income. In the quarter, margins improved, with EBITDA increasing 0.9 percentage points and the operating margin 2.4 percentage points, reaching 52.5% and 36.2%, respectively.

For the nine months, the EBITDA margin was slightly higher than the previous year, reaching 51.4% and totaling 46,254 million pesos, 1.0% higher than in 2003. The operating margin increased 0.7 percentage points to 34.3%, reflecting operating income of 30,873 million pesos, 2.6% higher than in 2003.

Local Service Business Mexico

| Income Statements (Millions of Mexican constant pesos as of September 2004) | 3Q2004 | 3Q2003 | % yoy | 9 months 2004 | 9 months 2003 | % yoy |
|--|--------|--------|----------|------------------|------------------|----------|
| Revenues | | | | | | |
| Access, rent and measured service | 13,898 | 14,247 | (2.4) | 41,560 | 41,782 | (0.5) |
| Recovery of LADA special projects | 545 | 511 | 6.7 | 1,687 | 1,468 | 14.9 |
| L A D A interconnection | 1,030 | 967 | 6.5 | 3,192 | 2,778 | 14.9 |
| Interconnection with operators | 419 | 199 | 110.6 | 1,066 | 777 | 37.2 |
| Interconnection with cellular | 4,311 | 4,360 | (1.1) | 12,744 | 12,857 | (0.9) |
| Other | 2,036 | 2,308 | (11.8) | 6,554 | 6,563 | (0.1) |
| Total | 22,239 | 22,592 | (1.6) | 66,803 | 66,225 | 0.9 |
| Costs and expenses | | | | | | |
| Cost of sales and services | 5,045 | 4,933 | 2.3 | 15,117 | 14,367 | 5.2 |
| | 3,715 | 3,735 | (0.5) | 11,305 | 11,314 | (0.1) |

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| | | | | | | |
|--|--------|--------|--------|--------|--------|-------|
| Commercial, administrative and general | | | | | | |
| Interconnection | 3,229 | 3,202 | 0.8 | 9,602 | 9,542 | 0.6 |
| Depreciation and amortization | 3,312 | 3,731 | (11.2) | 10,297 | 10,605 | (2.9) |
| Total | 15,301 | 15,601 | (1.9) | 46,321 | 45,828 | 1.1 |
| | | | | | | |
| Operating income | 6,938 | 6,991 | (0.8) | 20,482 | 20,397 | 0.4 |
| | | | | | | |
| EBITDA | 10,250 | 10,722 | (4.4) | 30,779 | 31,002 | (0.7) |
| EBITDA Margin (%) | 46.1 | 47.5 | (1.4) | 46.1 | 46.8 | (0.7) |
| Operating Margin (%) | 31.2 | 30.9 | 0.3 | 30.7 | 30.8 | (0.1) |

Long Distance Business Mexico

| Income Statements (Millions of Mexican constant pesos as of September 2004) | 3Q2004 | 3Q2003 | % yoy | 9 months 2004 | 9 months 2003 | % yoy |
|---|--------|--------|----------|------------------|------------------|----------|
| Revenues | | | | | | |
| Domestic long distance | 4,054 | 4,387 | (7.6) | 12,112 | 13,461 | (10.0) |
| International long distance | 1,914 | 1,950 | (1.8) | 5,587 | 5,564 | 0.4 |
| Total | 5,968 | 6,337 | (5.8) | 17,699 | 19,025 | (7.0) |
| | | | | | | |
| Costs and expenses | | | | | | |
| Cost of sales and services | 1,127 | 1,218 | (7.5) | 3,420 | 3,645 | (6.2) |
| | 1,038 | 1,259 | (17.6) | 3,472 | 3,757 | (7.6) |

| | | | | | | |
|--|-------|-------|--------|--------|--------|--------|
| Commercial, administrative and general | | | | | | |
| Interconnection to the local network | 917 | 998 | (8.1) | 2,881 | 2,665 | 8.1 |
| Cost of LADA s p e c i a l projects | 478 | 524 | (8.8) | 1,507 | 1,397 | 7.9 |
| Depreciation a n d amortization | 687 | 749 | (8.3) | 2,142 | 2,230 | (3.9) |
| Total | 4,247 | 4,748 | (10.6) | 13,422 | 13,694 | (2.0) |
| | | | | | | |
| Operating income | 1,721 | 1,589 | 8.3 | 4,277 | 5,331 | (19.8) |
| | | | | | | |
| EBITDA | 2,408 | 2,338 | 3.0 | 6,419 | 7,561 | (15.1) |
| EBITDA Margin (%) | 40.3 | 36.9 | 3.4 | 36.3 | 39.7 | (3.4) |
| Operating Margin (%) | 28.8 | 25.1 | 3.7 | 24.2 | 28.0 | (3.8) |

International Operations

Results based on Continuing Operations

To assist in comparisons, the third-quarter and nine-months results for the newly consolidated international subsidiaries are based on continuing operations and are calculated in Mexican pesos as of September, 2004.

Argentina

Comments on the Results

The main TELMEX subsidiaries in Argentina are TELMEX Argentina, acquired on February 24 and consolidated since March 1st, Techtel acquired on April 19 and consolidated since May 1st, and Metrored, acquired on June 30 and consolidated since July 1st. For comparable purposes, the results presented here are based on continuing operations in Mexican pesos as of September 2004.

Revenues from the operations in Argentina during the third quarter totaled the equivalent of 214.3 million pesos, 5.7% higher than in 2003, of which 58% were generated by voice services and 39% by data transmission services. For the nine months, revenues totaled 626.8 million pesos, 15.1% higher than the previous year. Operating costs and expenses were 239.0 million pesos in the quarter, 9.5% lower than the previous year, of which 45% was related to transport and termination of traffic. The decrease in depreciation and amortization was related to the adjustments made in the value of the assets. For the nine months, costs and expenses totaled 735.4 million pesos, at a similar level than in 2003. EBITDA for the quarter was 23.0 million pesos and for the nine months 30.0 million pesos.

Brazil

Comments on the Results

The main TELMEX subsidiaries in Brazil are TELMEX Brazil, acquired on February 24 and consolidated since March 1st, and Embratel, for which the majority of the controlling shares was acquired on July 23 and results consolidated since August 1st. Concurrently, in accordance with Brazilian legislation, a public offering is in process for the purchase of the remaining controlling shares of Embratel. For comparable purposes, the results presented here are based on continuing operations in Mexican pesos as of September 2004.

Revenues from the operations in Brazil during the third quarter were equivalent to 7,000.5 million pesos, 1.6% lower than in 2003, of which 59% was related to long distance, mainly from Embratel, and 26% to data transmission services. For the nine months, revenues totaled 21,930.6 million pesos, 13.2% higher than the previous year. Costs and expenses were 7,195.2 million pesos, 15.1% higher than in 2003. Transport and termination of traffic represented 45% of total costs and expenses. For the nine months, costs and expenses totaled 21,358.3 million pesos, 19.3% higher than in 2003. EBITDA for the quarter was 974.6 million pesos, representing a margin of 13.9%. For the nine months, EBITDA totaled 4,178.9 million pesos producing a margin of 19.1%.

Chile

Comments on the Results

The main TELMEX subsidiaries in Chile are TELMEX Chile acquired on February 24 and consolidated since March 1st, Chilesat, acquired on June 8 and consolidated since July 1st. For comparable purposes, the results presented here are based on continuing operations in Mexican pesos as of September 2004.

Revenues from the operations in Chile during the third quarter were equivalent to 261.8 million pesos, 11.1% higher than the previous year, of which 58% were produced by long distance service and 13% by data transmission services. For the nine months, revenues totaled 748.4 million pesos, 11.8% more than in 2003. Costs and expenses were 262.7 million pesos in the quarter, almost at the same level than in 2003. The decrease in depreciation and amortization was related to the adjustments made in the value of the telephone plant. Transport and termination costs represented 48% of total costs. For the nine months, costs and expenses totaled 855.5 million pesos a decrease of 6.7% compared with the previous year. The operations in Chile had an EBITDA of 59.7 million pesos in the quarter with a margin of 22.8%. For the nine months, EBITDA totaled 66.3 million pesos with a margin of 8.9%.

Colombia

Comments on the Results

In Colombia, TELMEX operations consist of its subsidiary TELMEX Colombia acquired on February 24 and consolidated since March 1st, 2004. For comparable purposes, the results presented here are based on continuing operations in Mexican pesos as of September 2004.

Revenues from these operations during the third quarter were equivalent to 88.0 million pesos, 5.4% higher than in 2003, of which 95% was generated in the corporate networks business. For the nine months, the operations in Colombia generated revenues of 258.4 million pesos, 15.9% more than the previous year. Costs and expenses were 80.3 million pesos, 16.3% lower than in 2003, of which 27% was related to transport and termination. For the nine months, costs and expenses totaled 239.2 million pesos, 17.2% lower than the previous year. The decrease in operating cost and expenses was due to lower commercial, administrative and general expenses, as well as lower depreciation charges resulting from the adjustment in the value of the acquired fixed assets. EBITDA totaled 30.6 million pesos in the quarter with a margin of 34.8%. For the nine months, EBITDA totaled 82.7 million pesos with a margin of 32.0%.

Peru

Comments on the Results

In Peru, TELMEX operations are conducted through its subsidiary TELMEX Peru acquired on February 24 and consolidated since March 1st, 2004. For comparable purposes, the results presented here are based on continuing operations in Mexican pesos as of September 2004.

Revenues from operations in Peru during the third quarter were equivalent to 131.2 million pesos, 5.8% higher than the previous year. The voice and data businesses represent 45% and 37% of total revenues, respectively. For the nine months, the operations in Peru generated revenues of 386.0 million pesos, 7.1% more than in 2003. Costs and expenses in the quarter were 138.4 million pesos, 4.2% more than the previous year, of which 32% of the total were related to transport and termination. For the nine months, costs and expenses totaled 423.1 million pesos, 6.7% higher than the previous year. EBITDA totaled 31.5 million pesos in the quarter with a margin of 24.0%. For the nine months, EBITDA totaled 70.9 million pesos with a margin of 18.4%.

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

ANNEX 2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2003 & 2002

(Thousand Pesos)

Consolidated

Final printing

S 12 PLANT, PROPERTY AND EQUIPMENT (NET)

Following, the breakdown is provided for the fixed assets included for the third quarter of 2004 by the specific index method and the NCPI, 5th document.

| CONCEPT | INDEX | NCPI 5 th . DOCUMENT |
|--------------------------|--------------------|------------------------------------|
| Investment | Ps. 404,025,267 | Ps. 433,615,125 |
| Depreciation | (262,302,797) | (288,820,628) |
| Construction in progress | 5,195,290 | 5,142,324 |
| Total | 146,917,760 | 149,936,821 |
| Results | 16,398,071 | 16,887,248 |

S 18 DEFERRED ASSETS

At September 30, 2004, deferred assets rose to Ps. 9,938,630 that is comprised mainly by Ps. 1,529,360, that correspond to the acquisition of concessions to operate radio spectrum frequency bands to provide fixed wireless and mobile telephony services in Mexico, that will be amortized in 20 years and the amount of Ps. 3,919,044 corresponds to goodwill that is caused by the share acquisitions of the mexican company Multicom as well as the share

acquisitions of the foreign companies Embratel, Techtel and Chilesat and and receivable deferred income tax D-4.of 4,490,226.

S 19 OTHER ASSETS

This item rose to

\$ 26,886,308 and \$ 7,994,244 at September 30, 2004 and 2003, respectively, and is comprised by the following:

| | 2004 | 2003 |
|----------------------------|------------------|------------------|
| Inventories | Ps. 2,140,350 | Ps. 1,276,694 |
| Intangible assets D-3 | 0 | 6,717,550 |
| Projected net Asset D-3 | 24,745,958 | 0 |

INVENTORIES: are used for the operation of the telephone plant and are valued by the average cost method and are updated based on the specific index method, without exceeding their market value.

INTANGIBLE ASSETS: derived from the application of Bulletin D-3 "Labor Obligations", issued by the Mexican Institute of Public Accounts (IMCP)

PROJECTED NET ASSET (D-3):

At

September 30, 2004, the market value of the established fund was greater than the Accumulated Benefit Obligation (ABO), accordingly with Bulletin D-3 "Labor Obligations" issued by the Mexican Institute of Public Accountants, it is not recognized neither any additional liability nor the related intangible asset and effect of labor obligations on stockholders' equity. As a result of the foregoing, the balance sheet presents a projected net asset of \$24,745,958.

S 23 AND S 28 BANK LOANS

In this item, supplier's credits are included in bank credits. The supplier's credits are reclassified to bank loans because in this document, sific/ics, long-term opening to supplier's does not exist.

On July 15, 2004 Telmex obtained a Syndicated Loan Agreement for the aggregate amount of US\$ 2,425 million, which was divided in two tranches, the first one for the amount of US\$ 1,525 million, with maturity in three years at an interest rate of Libor plus 0.45%. The second tranche for the amount of US\$ 900 million, with maturity in five years at an interest rate of Libor plus 0.525%. From the total amount of the Syndicated Bank Loan, US\$ 1,900 was disbursed on July 15, 2004 and the remaining portion of US\$ 525 million was used on October 13, 2004.

S 24 AND S 29 STOCK MARKET LOANS

The "

4.25% Convertible Senior Debentures Due 2004" matured on June 15, 2004.

During 2003 and 2004, Telmex made several purchases of the convertible debentures in the market for the amount of US\$ 424.7 million and some holders elected to convert their convertible debentures into ADR's in the amount of

US\$5 million. On the maturity date, the remaining balance was US\$570.3 million that was completely amortized in the following manner: US\$569.8 million exercised their right of conversion for

385,285,200 (three hundred and eighty five million two hundred and eighty five thousand two hundred) shares at a conversion rate of 33.8110 ADRs (each ADR is equivalent to 20 series "L" shares) per US\$1,000 principal amount of debentures, and US\$0.5 million were amortized in cash.

On January 26, 2001, TELMEX issued senior notes for U.S.\$1,000 million, maturing in 2006 and bearing 8.25% annual interest payable bi-annually. Additionally, on May 8, 2001 TELMEX issued additional senior notes for U.S.\$500 million with the same characteristics.

During 2002, TELMEX made four placements of domestic senior notes ("Certificados Bursatiles") for a total of Ps. 3,200 million, face value (Ps. 4,250 million in 2001, face value) under a program authorized by the National Banking and Securities Commission

of \$10,000 million. This program matured on April 10, 2004.

On November 19, 2003 TELMEX issued a bond for U.S. \$1,000 million due 2008, with an annual interest of 4.5%. Interest will be paid every six months.

S 26 OTHER CURRENT LIABILITIES

At September 30, 2004 and 2003, this item rose to Ps.

36,067,218 and Ps. 16,010,510 respectively and is comprised by the following concepts:

| | 2004 | 2003 |
|---------------------------|-------------------|------------------|
| A c c o u n t s payable | Ps. 19,017,540 | Ps. 9,394,137 |
| A c c r u e d liabilities | 13,905,859 | 4,013,562 |
| D e f e r r e d credits | 3,143,819 | 2,602,811 |

Short-Term deferred credits consist of not accrued accounts receivable and advanced payments from customers and others.

S 29 STOCK MARKET LOANS (LONG-TERM)

This item rose to \$

35,126,500 and \$ 25,044,760 at September 30, 2004 and 2003, respectively and is comprised by the following:

| | 2004 | 2003 |
|-----------------------|--------------|---------------|
| Domestic Senior Notes | Ps 6,600,000 | Ps. 7,826,225 |
| Bonds | 28,526,500 | 17,218,535 |

S 31 DEFERRED CREDITS

At September 30, 2004 and 2003, this item rose to Ps.

20,671,279 and Ps. 15,072,437, respectively and corresponds to deferred taxes based on the requirements of Bulletin D-4, issued by the Mexican Institute of Public Accountants.

S 32 OTHER LIABILITIES

At September 30, 2004 this item rose to Ps.

1,552,877 and represents the liability for pensions and seniority premiums based on the requirements of Bulletin D-3 "Labor Obligations".

S 37 CAPITAL STOCK AND S 39 PREMIUM ON SALE OF SHARES

With regard to the "4.25% Convertible Senior Debentures Due 2004" issued on June 11, 1999, the outstanding balance of U.S.\$570.3 million matured on June 15, 2004. From this amount US \$569.8 million were converted into "L" shares at the conversion rate of 33.8110 ADRs per U.S.\$1,000 principal amount of debentures (each ADR represents 20 series "L" shares). Upon conversion, TELMEX issued from its treasury 385,285,200 (three hundred eighty five million two hundred eighty five thousand two hundred) series "L" shares.

S 42 RETAINED EARNINGS

At September 30, 2004 and 2003, this item rose to Ps.

87,440,120 and Ps. 87,446,290, respectively and is comprised by the following concepts:

| | 2004 | 2003 |
|--|-------------------|-------------------|
| Legal reserve | Ps. 17,301,822 | Ps. 16,517,281 |
| Unappropriated earnings of prior years | 70,138,298 | 70,929,009 |

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On March 1st, 2004 and April 29, 2003, stockholders meeting approved an increase of Ps. 12,000,000 (nominal value) and Ps. 7,601,474 (nominal value) respectively, in the total authorized nominal amount to be used by the Company to acquire its own shares, bringing the total amount to be used for this purpose to Ps. 12,001,362 (nominal value) and Ps. 10,000,000 (nominal value), respectively.

From January to September 2004, the Company acquired

567.8 million Series "L" shares for Ps. 10,901,955 (historical cost of Ps. 10,731,588) and 1.4 million Series "A" shares for Ps. 25,759 (historical cost of Ps. 25,353).

From January to September 2003, the Company acquired

487.8 million Series "L" shares for Ps. 8,396,301 (historical cost of Ps. 7,923,011) and 3.1 million Series "A" shares for Ps. 53,728 (historical cost of Ps. 50,665).

The Company's repurchased shares are applied to unappropriated retained earnings in the amount the corresponding shares purchased exceeded capital stock.

S 44 EXCESS (SHORTFALL) IN RESTATEMENT OF STOCKHOLDERS EQUITY

At September 30, 2004 and 2003, this item rose to Ps. (

64,508,187) and Ps. (74,397,020), respectively and is comprised in the following manner:

| | 2004 | 2003 |
|---|------------------|------------------|
| Accumulated monetary position loss | Ps. (13,353,963) | Ps. (13,354,313) |
| Result from holding non-monetary assets | (51,154,224) | (61,042,707) |

S 73 PENSION FUND AND SENIORITY PREMIUMS

The Company grants pensions and seniority premiums that are established in defined pension plans that cover substantially all employees.

Pension benefits are determined on the basis of compensation to employees in their final year employment, their seniority, and their age at the time of retirement.

The Company established an irrevocable trust fund to cover the payment of these obligations and has the policy of making annual contributions to such fund. These contributions are deductible for Mexican corporate income tax purposes.

The transition liability, past services and variations in assumptions are being amortized over a period of twelve years, that is the estimated average remaining working-life of the Company's employees.

COMPREHENSIVE INCOME

At September 30, 2004 and 2003 this item rose to Ps.

15,237,907 and Ps. **19,827,386**, respectively by the application of Bulletin B-4 comprehensive income; and is comprised by the following:

| | 2004 | 2003 |
|---|--------------------|----------------|
| Net income for the period | Ps . 16,771,348 | Ps. 17,430,955 |
| Result from holding non-monetary assets | 526,998 | 4,467,157 |
| Deferred income tax of the period | (14,503) | (1,504,017) |
| Effect of labor obligations | 0 | (566,709) |
| Effect of securities available for sale | (2,045,936) | 0 |
| | | |
| Comprehensive Income | 15,237,907 | 19,827,386 |

NOTES TO CONSOLIDATED STATEMENTS OF INCOME

R 33 DEFERRED INCOME TAX

At September 30, 2004 and 2003, Telmex Group recognized a net income of Ps.

(481,066) and Ps. (361,420), respectively, for the application of Bulletin D-4 "Accounting treatment of income tax, asset tax and employee profit sharing".

NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

C 39 OTHER ITEMS

Includes inventories for operation of the telephone plant, as well as decreases of fixed assets.

RATIOS

P 08 INVENTORY TURNOVER RATE-COST

The SIFI/ICS system automatically calculates the inventory turnover rate-cost by dividing the total cost of goods and services (Ref. R 2) between the inventory of goods for sale (Ref. S 6), fact that affects the result.

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 3

SHARE INVESTMENTS

Consolidated

| COMPANY NAME | MAIN ACTIVITIES | NUMBER OF SHARES | OWNERSHIP | TOTAL AMOUNT | | |
|--------------|---|---|----------------|------------------|---------------|------------|
| | | | % | (Thousand Pesos) | | |
| | | | | ACQUISITION COST | PRESENT VALUE | |
| SUBSIDIARIES | | | | | | |
| 1 | Consertel, S.A. de C.V. | Investments in all types of businesses | 28,444,797,340 | 100 | 16,374,507 | 30,415,876 |
| 2 | Cía. de Teléfonos y Bienes Raíces, S.A. de C.V. | Real estate acquisition & leasing | 1,034,000,000 | 100 | 1,040,903 | 7,322,235 |
| 3 | Alquiladora de Casas, S.A. de C.V. | Real estate acquisition & leasing | 686,001,490 | 100 | 702,096 | 3,206,957 |
| 4 | Construcciones y Canalizaciones, S.A. de C.V. | Construction & maint. of telephone network | 28,369,000 | 100 | 28,636 | 525,316 |
| 5 | Empresa de Limpieza Mexicana, S.A. de C.V. | Cleaning Service Company | 50 | 100 | 49 | 59 |
| 6 | Renta de Equipo, S.A. de C.V. | Equipment, vehicles & real estate leasing | 769,595,000 | 100 | 769,645 | 864,829 |
| 7 | Multicomunicación Integral, S.A. de C.V. | Trunking, installation & sales services | 186,000,000 | 100 | 137,877 | 167,838 |
| 8 | Teleconstructora, S.A. de C.V. | Construction & maint. of telephone network | 19,400,000 | 100 | 19,397 | 118,834 |
| 9 | Anuncios en Directorios, S.A. de C.V. | Sale of advertising space in yellow pages | 1,081,750 | 100 | 1,240 | 69,217 |
| 10 | Operadora Mercantil, S.A. de C.V. | Sales agent advertising space in yellow pages | 50,000 | 100 | 54 | 1,388 |
| 11 | Impulsora Mexicana de Telecomunicaciones, S.A. | Network projects | 4,602,225 | 100 | 4,602 | 29,733 |
| 12 | Fuerza y Clima, S.A. de C.V. | Air conditioning installation & maint. | 4,925,000 | 100 | 4,944 | 74,776 |

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| | | | | | | |
|----|---|--|---------------|-------|------------|------------|
| 13 | Teléfonos del Noroeste, S.A. de C.V. | Telecommunications services | 110,000,000 | 100 | 75,279 | 906,239 |
| 14 | Aerocomunicaciones, S.A. de C.V. | Aeronautic radiocom. mobile serv. | 76,723,650 | 99.99 | 76,724 | 81,367 |
| 15 | Tecmarketing, S.A. de C.V. | Telemarketing services | 6,850,000 | 100 | 138,972 | 192,323 |
| 16 | Comertel Argos, S.A. de C.V. | Personnel services | 6,000 | 100 | 13 | 2,792 |
| 17 | Telmex International, Inc. | Holding Company in the U S A. | 5 | 100 | 220,153 | 259,325 |
| 18 | Instituto Tecnológico de Telefonos de Mexico, A.C | Training & research services | 1,000 | 100 | 1 | 4 |
| 19 | Buscatel, S.A. de C.V. | Paging services | 111,645 | 100 | 142,445 | 264,487 |
| 20 | Consortio Red Uno, S.A. de C.V. | Design & integrated telecom. Services | 167,691,377 | 100 | 360,533 | 564,290 |
| 21 | Uninet, S.A. de C.V. | Data transmission services | 67,559,613 | 100 | 6,755,961 | 7,327,927 |
| 22 | Aerofrisco, S.A. de C.V. | Air Taxi services | 4,477,798,600 | 100 | 447,298 | 693,154 |
| 23 | Grupo Técnico de Administración, S.A. de C.V. | Management, consulting & org. Services | 61,952 | 100 | 62 | 70 |
| 24 | Teninver, S.A. de C.V. | Managment of yellow pages | 9,108,921 | 100 | 409,687 | 841,193 |
| 25 | Latam Telecomunicaciones, L.L.C. | Investments in all types of businesses | 100 | 100 | 10,078,726 | 10,243,324 |
| 26 | Finacial Ventures, L.L.C. | Investments in Internet companies | 1,000 | 100 | 7,592,104 | 8,802,198 |
| 27 | Telcoser, S.A. de C.V. | Investments in Internet companies | 17,276,290 | 100 | 17,276,290 | 17,276,290 |
| 28 | Telmex Internet Investments, L.L.C. | Investments in Internet companies | 1,000 | 100 | 998,867 | 1,231,927 |
| 29 | Fintel Holdings, L.L.C. | Investments in Internet companies | 100 | 100 | 99 | 99 |
| | TOTAL INVESTMENT IN SUBSIDIARIES | | | | 63,657,164 | 91,484,066 |
| | | | | | | |
| | | | | | | |

| | ASSOCIATES | | | | | |
|---|---|---------------------------------|------------|-------|-----------|------------|
| 1 | Technology and Internet , LLC | Internet services | 500 | 50 | 974,989 | 198,604 |
| 2 | Technology Fund I, LLC | Communication services | 500 | 50 | 20,898 | 17,727 |
| 3 | Grupo Telvista, S.A. de C.V. | Telemarketing in Mexico and USA | 450 | 45 | 510,138 | 430,892 |
| 4 | Centro Histórico de la Ciudad de México, SA de CV | Real estate services | 80,020,000 | 21.77 | 80,020 | 101,788 |
| 5 | TM & MS, LLC | Internet portal (TIMSN) | 1 | 50 | 29,621 | 30,584 |
| | | | | | | |
| | TOTAL INVESTMENT IN ASSOCIATES | | | | 1,615,666 | 779,595 |
| | OTHER PERMANENT INVESTMENTS | | | | | 373,538 |
| | TOTAL | | | | | 92,637,199 |

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 5

CREDITS BREAKDOWN

(Thousand Pesos)

Consolidated

Final printing

| Amortization Date | Rate of Interest | Denominated in Pesos | Amortization of Credits in Foreign Currency With National Entities (Thousands Of Pesos) | Amortization of Credits in Foreign C (Thousands O |
|-------------------|------------------|----------------------|---|---|
| | | | Time Interval | Time Inter |
| | | | | |

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| | | Until 1 Year | More Than 1 Year | Current Year | Until 1 Year | Until 2 Years | Until 3 Years | Until 4 Years | Until 5 Years or more | Current Year | Until 1 Year | Until 2 Years | U Y |
|----------|------|-----------------|------------------------|-----------------|-----------------|------------------|------------------|---------------------|-----------------------------------|-----------------|-----------------|------------------|--------|
| | | | | | | | | | | | | | |
| /12/2005 | 3.20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,192 | 16,192 | 3,383 | |
| /04/2007 | 3.63 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 236,362 | 236,362 | 472,725 | |
| /12/2006 | 3.01 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,032 | 3,077 | 4,102 | |
| /12/2006 | 3.01 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,066 | 1,608 | 2,144 | |
| /12/2007 | 2.95 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 91,777 | 91,776 | 183,553 | |
| /12/2006 | 3.01 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,584 | 3,912 | 5,216 | |
| /12/2008 | 2.40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,568 | 14,568 | 29,137 | |
| /04/2006 | 2.45 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 74,337 | 64,646 | 79,705 | |
| /12/2006 | 3.01 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,757 | 19,315 | 25,753 | |
| /12/2004 | 3.45 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 45,963 | 0 | 0 | |
| /12/2005 | 3.20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 49,416 | 49,416 | 49,416 | |
| /12/2006 | 3.01 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40,294 | 60,732 | 80,975 | |
| /07/2007 | 2.65 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17, |
| /07/2009 | 2.72 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| /12/2014 | 3.20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 140,724 | 141,179 | 282,358 | |
| /04/2009 | 2.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 93,990 | 323,445 | 315,117 | |
| /12/2006 | 3.01 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 542 | 821 | 1,095 | |
| /10/2011 | 3.07 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 403,498 | 806,995 | |
| /10/2006 | 3.50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 66,562 | 66,562 | 133,124 | |
| /11/2004 | 2.70 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,262 | 0 | 0 | |
| /03/2022 | 2.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,739 | 18,233 | 20,973 | |

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| | | | | | | | | | | | | | |
|----------|-------|---------|-----------|---------|---------|---------|--------|---|---|-----------|-----------|------------|-----|
| /12/2007 | 3.45 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 181,836 | 181,836 | 306,619 | |
| /12/2006 | 3.30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 57,053 | 57,053 | 114,106 | |
| /12/2006 | 3.01 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,170 | 3,286 | 4,382 | |
| /12/2006 | 3.01 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,235 | 3,384 | 4,512 | |
| /05/2007 | 2.95 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21,873 | 15,443 | 7,171 | |
| /12/2008 | 3.55 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 161,120 | 161,120 | 322,240 | |
| /06/2005 | 3.20 | 0 | 0 | 55,344 | 111,532 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| /10/2006 | 3.10 | 0 | 0 | 31,576 | 96,147 | 131,576 | 33,510 | 0 | 0 | 0 | 0 | 0 | |
| /10/2006 | 3.20 | 0 | 0 | 60,262 | 186,869 | 64,375 | 0 | 0 | 0 | 0 | 0 | 0 | |
| /08/2005 | 8.02 | 800,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| /12/2006 | 3.01 | 0 | 0 | 6,650 | 10,069 | 13,425 | 3,356 | 0 | 0 | 0 | 0 | 0 | |
| /05/2007 | 8.41 | 0 | 500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| /06/2006 | 3.08 | 0 | 0 | 74,646 | 228,229 | 234,819 | 0 | 0 | 0 | 0 | 0 | 0 | |
| /12/2006 | 3.01 | 0 | 0 | 13,033 | 19,704 | 26,271 | 6,568 | 0 | 0 | 0 | 0 | 0 | |
| /12/2005 | 12.26 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 280,607 | 4,391,283 | 2,570,831 | |
| /06/2011 | 9.16 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 158,986 | 635,312 | 685,194 | |
| | | 800,000 | 500,000 | 241,511 | 652,550 | 470,466 | 43,434 | 0 | 0 | 1,759,048 | 6,964,059 | 6,510,826 | 20, |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| /01/2006 | 8.25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,115,900 | |
| /11/2008 | 4.50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| /02/2005 | 8.95 | 850,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| /02/2007 | 9.01 | 0 | 1,650,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| /05/2012 | 11.05 | 0 | 1,700,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| /10/2007 | 9.11 | 0 | 3,250,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

| | | | | | | | | | | | | | |
|-----------------------------|------------|-----------|---------|---------|---------|--------|---|---|-----------|-----------|------------|------------|---|
| | 850,000 | 6,600,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,115,900 | |
| ES AND OTHER CREDITS | | | | | | | | | | | | | |
| ES AND OTHER | 36,067,218 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| LIABILITIES AND | 36,067,218 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 37,717,218 | 7,100,000 | 241,511 | 652,550 | 470,466 | 43,434 | 0 | 0 | 1,759,047 | 6,964,059 | 23,626,726 | 20, | |

NOTES:

A.- Interest rates:

The credits breakdown is presented with an integrated rate as follows:

1. Libor plus margin
2. Fixed Rate
3. TIIE plus margin
4. TIIE plus margin
5. CETES plus margin
6. CETES plus margin

B.- The following rates were considered:

1. Libor

at 6 months in U S dollars is equivalent to 2.1963 at September 30, 2004

- TIIE

at 28 days is equivalent to 8.0188 at September 30, 2004

- TIIE

at 91 days is equivalent to 8.3400 at September 30, 2004

- CETES

at 91 days is equivalent to 7.9500 at September 30, 2004

- CETES

at 182 days is equivalent to 8.2100 at September 30, 2004

C.- The suppliers' Credits are reclassified to Bank Loans because in this document, SIFIC/ICS, Long-Term opening to Suppliers' does not exist.

D.- Liabilities in foreign currency were exchanged at the prevailing exchange rate at the end of the reporting period, which at

September 30,2004 were as follows:

| CURRENCY | AMOUNT | E.R. |
|----------------|-----------|---------|
| DOLLAR (U.S.) | 6,501,722 | 11.4106 |
| BRAZILIAN REAL | 1,009,825 | 4.0023 |
| EURO | 76,854 | 14.1674 |

E.- There are other liabilities in foreign currency for an equivalent amount of P.380,058 thousand pesos.

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 6

FOREIGN EXCHANGE MONETARY POSITION

(Thousand Pesos)

Consolidated

Final printing

| TRADE BALANCE | DOLLARS | | OTHER CURRENCIES | | TOTAL |
|---------------------------|---------------------|-------------------|---------------------|-------------------|-------------------|
| | THOUSAND DOLLARS | THOUSAND PESOS | THOUSAND DOLLARS | THOUSAND PESOS | THOUSAND PESOS |
| TOTAL ASSETS | 1,450,255 | 16,548,274 | 0 | 0 | 16,548,274 |
| LIABILITIES | 6,501,722 | 74,188,549 | 482,147 | 5,501,586 | 79,690,135 |
| SHORT-TERM LIABILITIES | 547,240 | 6,244,337 | 295,587 | 3,372,830 | 9,617,167 |
| LONG-TERM LIABILITIES | 5,954,482 | 67,944,212 | 186,560 | 2,128,756 | 70,072,968 |
| NET BALANCE | (5,051,467) | (57,640,275) | (482,147) | (5,501,586) | (63,141,861) |

NOTES:

Assets and Liabilities in foreign currency were exchanged at the prevailing exchange rate at the end of the reporting period.

At the end of the quarter the exchange rates were as follows:

| CURRENCY | E.R. |
|------------------|---------|
| DOLLAR (U.S.) | 11.4106 |
| EURO | 14.1674 |
| YEN | 0.1036 |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 7

CALCULATION OF MONETARY POSITION

(Thousand Pesos)

Consolidated

Final printing

| MONTH | MONETARY ASSETS | MONETARY LIABILITIES | (ASSET) LIABILITIES MONETARY POSITION | MONTHLY INFLATION | MONTHLY (EFFECT) (ASSET) LIABILITIES |
|----------|--------------------|-------------------------|--|----------------------|---|
| JANUARY | 39,624,973 | 85,658,395 | 46,033,422 | 0.62 | 285,407 |
| FEBRUARY | 39,882,677 | 83,525,438 | 43,642,761 | 0.60 | 261,857 |
| MARCH | 40,488,616 | 86,043,360 | 45,554,744 | 0.34 | 154,886 |
| APRIL | 40,758,086 | 86,616,943 | 45,858,857 | 0.15 | 68,788 |
| MAY | 36,597,526 | 86,863,622 | 50,266,096 | (0.25) | (125,665) |
| JUNE | 36,821,957 | 86,283,761 | 49,461,804 | 0.16 | 79,139 |
| JULY | 35,424,831 | 81,927,729 | 46,502,898 | 0.26 | 120,908 |

| | | | | | |
|---------------------|------------|------------|------------|------|-----------|
| AUGUST | 44,671,285 | 94,908,995 | 50,237,710 | 0.62 | 311,474 |
| SEPTEMBER | 45,109,555 | 92,544,768 | 47,435,213 | 0.83 | 393,712 |
| ACTUALIZATION : | 0 | 0 | 0 | 0.00 | 20,551 |
| CAPITALIZATION : | 0 | 0 | 0 | 0.00 | 0 |
| FOREIGN CORP. : | 0 | 0 | 0 | 0.00 | (20,804) |
| OTHER | 0 | 0 | 0 | 0.00 | (73,700) |
| TOTAL | | | | | 1,476,553 |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 8

BONDS AND/OR MEDIUM-TERM NOTES LISTED IN STOCK MARKET

Consolidated

Final printing

| FINANCIAL COVENANTS UNDER ISSUANCE DEED AND/OR TITLE | | | | |
|--|--|--|--|--|
| DOES NOT APPLY | | | | |
| | | | | |
| | | | | |
| | | | | |
| CURRENT SITUATION OF FINANCIAL COVENANTS | | | | |
| DOES NOT APPLY | | | | |
| | | | | |
| | | | | |
| | | | | |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 9

PLANTS, - COMMERCIAL, DISTRUBUTION AND/OR SERVICE CENTERS -

Consolidated

Final printing

| PLANT OR CENTER | ECONOMIC ACTIVITY | PLANT CAPACITY (1) | USAGE (%) |
|-----------------|-------------------|--------------------|-----------|
| | | | |
| NOT AVAILABLE | | 0 | 0 |
| | | | |
| NOTES: | | | |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 10

RAW MATERIALS

Consolidated

Final printing

| DOMESTIC | MAIN SUPPLIERS | IMPORT | MAIN SUPPLIERS | DOM. SUBS. | PRODUCTION COST (%) |
|---------------|----------------|--------|----------------|------------|---------------------|
| | | | | | |
| NOT AVAILABLE | | | | | |
| | | | | | |
| NOTES : | | | | | |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 11

DOMESTIC SALES - MAIN SERVICES -

(Thousand Pesos)

Consolidated

Final printing

| MAIN PRODUCTS | TOTAL PRODUCTION | | NET SALES | | MARKET | MAIN | |
|-----------------------|------------------|--------|-----------|------------|--------|------------|-----------|
| | VOLUME | AMOUNT | VOLUME | AMOUNT | (%) | TRADEMARKS | CUSTOMERS |
| LOCAL SERVICE | | | | 41,697,780 | | | |
| LONG DISTANCE SERVICE | | | | 17,558,740 | | | |
| INTERCONNECTION | | | | 13,807,507 | | | |
| CORPORATE NETWORKS | | | | 4,837,362 | | | |
| INTERNET | | | | 6,511,289 | | | |
| OTHERS | | | | 3,914,321 | | | |

| | | | | | | | |
|-------|--|--|--|------------|--|--|--|
| TOTAL | | | | 88,326,999 | | | |
|-------|--|--|--|------------|--|--|--|

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 11b

FOREIGN SALES - MAIN SERVICES -

(Thousand Pesos)

Consolidated

Final printing

| MAIN PRODUCTS | TOTAL PRODUCTION | | NET SALES | | DESTINATION | MAIN | |
|-----------------------|------------------|--------|-----------|-----------|-------------|------------|-----------|
| | VOLUME | AMOUNT | VOLUME | AMOUNT | | TRADEMARKS | CUSTOMERS |
| | | | | | | | |
| NET SETTLEMENT | | | | 1,635,287 | | | |
| LOCAL SERVICE | | | | 406,104 | | | |
| LONG DISTANCE SERVICE | | | | 3,497,893 | | | |
| INTERCONNECTION | | | | 192,342 | | | |
| CORPORATE NETWORKS | | | | 1,968,125 | | | |
| OTHERS | | | | 260,682 | | | |
| TOTAL | | | | 7,960,433 | | | |
| NOTES: | | | | | | | |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 13

PROJECT INFORMATION

(Thousand Pesos)

Consolidated

Final printing

| ITEM | Thousand Mexican Pesos | | | | |
|---|----------------------------|-----------------|-------------------|-------------------|-----------------|
| | 3rd. Quarter 04 Jul-Sep | % of Advance | Total 2004 | Budget 2004 | % of Advance |
| DATA | 682,529 | 20.4 | 1,831,202 | 3,338,031 | 54.9 |
| INTERNAL PLANT | 753,044 | 21.5 | 2,194,335 | 3,506,865 | 62.6 |
| OUTSIDE PLANT | 1,280,033 | 26.0 | 2,954,901 | 4,925,817 | 60.0 |
| TRANSMISSION NETWORK | 1,007,883 | 25.8 | 1,978,672 | 3,911,879 | 50.6 |
| SYSTEMS | 145,096 | 19.2 | 202,532 | 757,173 | 26.7 |
| OTHERS | 378,672 | 13.4 | 813,888 | 2,833,154 | 28.7 |
| TOTAL INVESTMENT TELMEX MEXICO | 4,247,256 | 22.0 | 9,975,530 | 19,272,919 | 51.8 |
| LATINOAMERICA | 522,816 | 18.6 | 607,416 | 2,806,954 | 21.6 |
| TOTAL INVESTMENT | 4,770,072 | 21.6 | 10,582,946 | 22,079,873 | 47.9 |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 14

TRANSACTIONS IN FOREIGN CURRENCY AND EXCHANGE OF FINANCIAL STATEMENTS FROM
FOREIGN OPERATIONS

Consolidated

Final printing

Basis of translation of financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries were exchanged into Mexican pesos in conformity with Mexican Accounting Principles Bulletin B-15, *Transactions in Foreign Currency and Exchange of Financial Statements of Foreign Operations*, issued by the Mexican Institute of Public Accountants (IMCP), as follows:

All balance sheet amounts, except for stockholders' equity, were translated at the prevailing exchange rate at year-end; stockholders' equity accounts were exchanged at the prevailing exchange rate at the time capital contributions were made and earnings were generated. The statement of income amounts were translated at the prevailing exchange rate at the end of the reporting period. The effect of inflation and changes in exchange rates were not material and are presented as part of the result from holding of non-monetary assets.

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

INTEGRATION OF PAID CAPITAL STOCK

Consolidated

Final printing

| SERIES | NOMINAL VALUE | VALID CUPON | NUMBER OF SHARES | | | | CAPITAL STOCK (Thousand Pesos) | |
|--------|------------------|----------------|------------------|---------------------|---------------|------------------------|-----------------------------------|----------|
| | | | FIXED PORTION | VARIABLE PORTION | MEXICAN | PUBLIC SUBSCRIPTION | FIXED | VARIABLE |
| | | | | | | | | |
| A | 0.02500 | | 255,763,914 | 0 | | 255,763,914 | 6,394 | |
| AA | 0.02500 | | 4,063,417,276 | 0 | 4,063,417,276 | 0 | 101,586 | |
| L | 0.02500 | | 7,612,053,664 | 0 | | 7,612,053,664 | 190,301 | |
| TOTAL | 0.02500 | | 11,931,234,854 | 0 | 4,063,417,276 | 7,867,817,578 | 298,281 | 0 |

TOTAL NUMBER OF SHARES REPRESENTING CAPITAL STOCK ON THE REPORTING DATE OF THE INFORMATION:

| | | | | | | | | |
|--|----------------|--|--|--|--|--|--|--|
| | 11,931,234,854 | | | | | | | |
|--|----------------|--|--|--|--|--|--|--|

SHARES PROPORTION BY:

| | | | | | | | | |
|----------|--|--|--|--|--|--|--|--|
| CPO'S : | | | | | | | | |
| T.VINC.: | | | | | | | | |
| ADRS's : | | | | | | | | |
| GDRS's : | | | | | | | | |
| ADS's : | | | | | | | | |
| GDS's : | | | | | | | | |

REPURCHASE OF OWN SHARES

| SERIES | NUMBER OF SHARES | MARKET VALUE OF THE SHARE | |
|--------|------------------------|---------------------------|---------------|
| | | AT REPURCHASE | AT QUARTER |
| A & L | 569,162,600 | 18.2040 | 18.2255 |
| NOTES: | | | |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

GENERAL INFORMATION

Consolidated

Final printing

ISSUER GENERAL INFORMATION

| | |
|-------------------|-----------------------------------|
| COMPANY: | TELEFONOS DE MEXICO, S.A. DE C.V. |
| ADDRESS: | PARQUE VIA 198, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 12 12 |
| FAX: | |
| E-MAIL: | |
| INTERNET PAGE: | www.telmex.com |

ISSUER FISCAL INFORMATION

| | |
|--|------------------------------------|
| TAX PAYER FEDERAL ID: FISCAL ADDRESS: | TME 840315KT6 |
| ZIP: | PARQUE VIA 198, COL. CUAUHTEMOC |
| CITY: | 06599 |
| | MEXICO, D.F. |

PAYMENT RESPONSIBLE

| | |
|----------|-----------------------------|
| NAME: | C.P. EDUARDO ROSENDO GIRARD |
| ADDRESS: | |

| | |
|------------|--|
| ZIP: | PARQUE VIA 198 - 5 TH FLOOR OFFICE 501, COL. CUAUHTEMOC |
| CITY: | 06599 |
| TELEPHONE: | MEXICO, D.F. |
| FAX: | 52 22 53 95 |
| E-MAIL: | 52 50 80 54 |
| | erosendo@telmex.com |

OFFICERS INFORMATION

| | |
|---------------|-------------------------------|
| POSITION BMV: | CHAIRMAN OF THE BOARD |
| POSITION: | CHAIRMAN OF THE BOARD |
| NAME: | LIC. CARLOS SLIM DOMIT |
| ADDRESS: | CALVARIO NUM 100 COL. TLALPAN |
| ZIP: | 14000 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 53 25 98 01 |
| FAX: | 55 73 31 77 |
| E-MAIL: | slimc@sanborns.com |

| | |
|---------------|--|
| POSITION BMV: | CHIEF EXECUTIVE OFFICER |
| POSITION: | CHIEF EXECUTIVE OFFICER |
| NAME: | ING. JAIME CHICO PARDO |
| ADDRESS: | PARQUE VIA 190 - 10 TH . FLOOR OFFICE 1001, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 55 46 15 46 & 52 22 51 52 |

| | |
|---------|-------------|
| FAX: | 57 05 00 39 |
| E-MAIL: | |

| | |
|---------------|--|
| POSITION BMV: | CHIEF FINANCIAL OFFICER |
| POSITION: | CHIEF FINANCIAL OFFICER |
| NAME: | ING. ADOLFO CEREZO PEREZ |
| ADDRESS: | PARQUE VIA 190 - 10 TH . FLOOR OFFICE 1016, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 57 80 & 52 22 51 44 |
| FAX: | 52 55 15 76 |
| E-MAIL: | acerezo@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | QUATERLY FINANCIAL INFORMATION RESPONSIBLE |
| POSITION: | COMPTRROLLER |
| NAME: | C.P. EDUARDO ROSENDO GIRARD |
| ADDRESS: | PARQUE VIA 198 - 5 TH . FLOOR OFFICE 501, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 53 95 |
| FAX: | 52 50 80 54 |
| E-MAIL: | erosendo@telmex.com |

| | |
|---------------|---|
| POSITION BMV: | RESPONSIBLE FOR SENDING INFORMATION THROUGH EMISNET |
| POSITION: | SHAREHOLDER SERVICES MANAGER |

| | |
|------------|--|
| NAME: | LIC. MIGUEL ANGEL PINEDA CATALAN |
| ADDRESS: | PARQUE VIA 198 - 2 ND . FLOOR OFFICE 202, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 53 22 |
| FAX: | 55 46 21 11 |
| E-MAIL: | mpineda@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | LEGAL DIRECTOR |
| POSITION: | LEGAL DIRECTOR |
| NAME: | LIC. SERGIO F. MEDINA NORIEGA |
| ADDRESS: | PARQUE VIA 190 - 2 ND . FLOOR OFFICE 202, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 14 25 & 52 22 57 42 |
| FAX: | 55 46 43 74 |
| E-MAIL: | smedinan@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | SECRETARY OF BOARD OF DIRECTORS |
| POSITION: | SECRETARY OF BOARD OF DIRECTORS |
| NAME: | LIC. SERGIO F. MEDINA NORIEGA |
| ADDRESS: | PARQUE VIA 190 - 2 ND . FLOOR OFFICE 202, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 14 25 & 52 22 57 42 |
| FAX: | 55 46 43 74 |
| E-MAIL: | smedinan@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | RESPONSIBLE OF PROVIDE INFORMATION TO INVESTORS |
| POSITION: | INVESTORS RELATIONS MANAGER |
| NAME: | LIC. ALEJANDRO MARTINEZ ALTAMIRANO |
| ADDRESS: | PARQUE VIA 198 - 7 TH . FLOOR OFFICE 701, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 57 03 39 90 |
| FAX: | 55 45 55 50 |
| E-MAIL: | amaltami@telmex.com & ri@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | RESPONSIBLE FOR SENDING FINANCIAL INFORMATION THROUGH EMISNET |
| POSITION: | COMPTROLLER |
| NAME: | C.P. EDUARDO ROSENDO GIRARD |
| ADDRESS: | PARQUE VIA 198 - 5 TH . FLOOR OFFICE 501, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 53 95 |
| FAX: | 52 50 80 54 |
| E-MAIL: | erosendo@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | RESPONSIBLE FOR SENDING RELEVANT INFORMATION THROUGH EMISNET |
| POSITION: | INVESTORS RELATIONS MANAGER |
| NAME: | LIC. ALEJANDRO MARTINEZ ALTAMIRANO |
| ADDRESS: | PARQUE VIA 198 - 7 TH . FLOOR OFFICE 701, COL. CUAUHTEMOC |
| ZIP: | 06599 |

| | |
|------------|--|
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 57 03 39 90 |
| FAX: | 55 45 55 50 |
| E-MAIL: | amaltami@telmex.com & ri@telmex.com |

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

BOARD OF DIRECTORS

Consolidated

Final printing

| POSITION | NAME | | | |
|-----------------------|-------|--------------|-----------|----------|
| | | | | |
| CHAIRMAN OF THE BOARD | LIC. | CARLOS | SLIM | DOMIT |
| VICEPRESIDENT | ING. | JAIME | CHICO | PARDO |
| VICEPRESIDENT | C.P. | JUAN ANTONIO | PEREZ | SIMON |
| HONORARY BOARD MEMBER | ING. | CARLOS | SLIM | HELU |
| BOARD PROPIETORS | ING. | CARLOS | SLIM | HELU |
| BOARD PROPIETORS | SR. | EMILIO | AZCARRAGA | JEAN |
| BOARD PROPIETORS | ING. | ANTONIO | COSIO | ARIÑO |
| BOARD PROPIETORS | MTRA. | AMPARO | ESPINOSA | RUGARCIA |
| BOARD PROPIETORS | ING. | ELMER | FRANCO | MACIAS |

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| | | | | |
|---------------------------------|------|---------------|--------------|-----------|
| BOARD PROPIETORS | LIC. | ANGEL | LOSADA | MORENO |
| BOARD PROPIETORS | SR. | ROMULO | O FARRIL JR. | |
| BOARD PROPIETORS | LIC. | FERNANDO | SENDEROS | MESTRE |
| BOARD PROPIETORS | LIC. | MARCO ANTONIO | SLIM | DOMIT |
| BOARD PROPIETORS | SR. | JAMES | W. | CALLAWAY |
| BOARD PROPIETORS | SR. | RICHARD | P. | RESNICKS |
| BOARD PROPIETORS | SR. | ROBERT | L. | HENRICHS |
| BOARD PROPIETORS | C.P. | RAFAEL | KALACH | MIZRAHI |
| BOARD PROPIETORS | LIC. | RICARDO | MARTIN | BRINGAS |
| | | | | |
| BOARD ALTERNATES | LIC. | PATRICK | SLIM | DOMIT |
| BOARD ALTERNATES | LIC. | ARTURO | ELIAS | AYUB |
| BOARD ALTERNATES | LIC. | JORGE C. | ESTEVE | RECOLONS |
| BOARD ALTERNATES | C.P. | HUMBERTO | GUTIERREZ | OLVERA Z. |
| BOARD ALTERNATES | ING. | ANTONIO | COSIO | PANDO |
| BOARD ALTERNATES | SRA. | ANGELES | ESPINOSA | YGLESIAS |
| BOARD ALTERNATES | ING. | AGUSTIN | FRANCO | MACIAS |
| BOARD ALTERNATES | SR. | JAIME | ALVERDE | GOYA |
| BOARD ALTERNATES | C.P. | ANTONIO | DEL VALLE | RUIZ |
| BOARD ALTERNATES | LIC. | JOSE | KURI | HARFUSH |
| BOARD ALTERNATES | LIC. | FERNANDO | SOLANA | MORALES |
| BOARD ALTERNATES | LIC. | EDUARDO | VALDES | ACRA |
| BOARD ALTERNATES | LIC. | CARLOS | BERNAL | VEREA |
| BOARD ALTERNATES | LIC. | FEDERICO | LAFFAN | FANO |
| BOARD ALTERNATES | SR. | JORGE A. | CHAPA | SALAZAR |
| BOARD ALTERNATES | ING. | BERNARDO | QUINTANA | ISAAC |
| BOARD ALTERNATES | C.P. | FRANCISCO | MEDINA | CHAVEZ |
| | | | | |
| STATUTORY AUDITOR | C.P. | ALBERTO | TIBURCIO | CELORIO |
| | | | | |
| ALTERNATE STATUTORY AUDITOR | C.P. | FERNANDO | ESPINOSA | LOPEZ |
| | | | | |
| SECRETARY OF BOARD OF DIRECTORS | LIC. | SERGIO | MEDINA | NORIEGA |
| | | | | |
| ASISTANT SECRETARY | LIC. | RAFAEL | ROBLES | MIAJA |

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

DECLARATION BY THE COMPANY'S OFFICERS THAT ARE RESPONSIBLE FOR THE INFORMATION

Consolidated

Final printing

I (We) hereby swear, in the scope of my (our) functions, that I (we) prepared the financial information related with the Issuer's Quarter Report supplied herein, which, to my (our) knowledge, reasonably reflect the situation of the Issuer. I (We) also hereby swear that I (we) have no knowledge of any relevant information that has been omitted or falsely represented in this Quarter Report, or that such report contains information that could mislead the investors.

ING. ADOLFO CEREZO PEREZ
CHIEF FINANCIAL OFFICER

C.P. EDUARDO ROSENDO GIRARD
COMPTROLLER

MEXICO CITY,

OCTOBER 19, 2004.
