

TELEFONOS DE MEXICO S A DE C V
Form 6-K
July 16, 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2004

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MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-01

CONSOLIDATED BALANCE SHEETS

AT JUNE 30, 2004 & 2003

(Thousand Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|---------------------------------|--------------------------------------|--------------|---------------------------------------|-----|
| | | Amount | % | Amount | % |
| | | 1 | TOTAL ASSETS | 187,771,933 | 100 |
| 2 | CURRENT ASSETS | 36,570,811 | 19 | 32,231,304 | 19 |
| 3 | CASH AND SHORT-TERM INVESTMENTS | 6,642,628 | 4 | 2,185,303 | 1 |
| 4 | ACCOUNTS RECEIVABLE, NET | 18,243,840 | 10 | 19,106,885 | 11 |
| 5 | OTHER ACCOUNTS RECEIVABLE, NET | 3,824,488 | 2 | 2,151,646 | 1 |
| 6 | INVENTORIES | 964,795 | 1 | 938,321 | 1 |
| 7 | OTHER CURRENT ASSETS | 6,895,060 | 4 | 7,849,149 | 5 |
| | | | | | |

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| | | | | | |
|----|--|-------------|-----|-------------|-----|
| 8 | LONG - TERM | 1,433,755 | 1 | 877,230 | 1 |
| 9 | ACCOUNTS RECEIVABLE, NET | 0 | 0 | 0 | 0 |
| 10 | INVESTMENT IN SHARES OF SUBSIDIARIES AND AFFILIATES NON-CONSOLIDATED | 1,383,058 | 1 | 839,682 | 1 |
| 11 | OTHER INVESTMENTS | 50,697 | 0 | 37,548 | 0 |
| 12 | PLANT, PROPERTY AND EQUIPMENT, NET | 122,714,989 | 65 | 124,595,673 | 75 |
| 13 | PROPERTY | 0 | 0 | 0 | 0 |
| 14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 317,530,559 | 169 | 293,332,601 | 176 |
| 15 | OTHER EQUIPMENTS | 0 | 0 | 0 | 0 |
| 16 | ACCUMULATED DEPRECIATION | 196,234,541 | 105 | 172,118,033 | 103 |
| 17 | CONSTRUCTIONS IN PROGRESS | 1,418,971 | 1 | 3,381,105 | 2 |
| 18 | DEFERRED ASSETS, NET | 1,865,345 | 1 | 751,836 | 0 |
| 19 | OTHER ASSETS | 25,187,033 | 13 | 7,930,932 | 5 |
| 20 | TOTAL LIABILITIES | 103,364,577 | 100 | 98,318,153 | 100 |
| 21 | CURRENT LIABILITIES | 34,490,525 | 33 | 36,936,397 | 38 |
| 22 | SUPPLIERS | 0 | 0 | 0 | 0 |
| 23 | BANK LOANS | 13,601,195 | 13 | 7,456,956 | 8 |
| 24 | STOCK MARKET LOANS | 850,000 | 1 | 11,880,411 | 12 |
| 25 | TAXES PAYABLE | 3,304,504 | 3 | 3,198,171 | 3 |
| 26 | OTHER CURRENT LIABILITIES | 16,734,826 | 16 | 14,400,859 | 15 |
| 27 | LONG - TERM LIABILITIES | 48,114,037 | 47 | 42,142,104 | 43 |
| 28 | BANK LOANS | 12,985,037 | 13 | 17,986,128 | 18 |
| 29 | STOCK MARKET LOANS | 35,129,000 | 34 | 24,155,976 | 25 |
| 30 | OTHER LOANS | 0 | 0 | 0 | 0 |
| 31 | DEFERRED CREDITS | 20,760,015 | 20 | 14,793,734 | 15 |
| 32 | OTHER LIABILITIES | 0 | 0 | 4,445,918 | 5 |
| 33 | CONSOLIDATED STOCKHOLDERS' EQUITY | 84,407,356 | 100 | 68,068,822 | 100 |
| 34 | MINORITY INTEREST | 0 | 0 | 0 | 0 |
| 35 | MAJORITY INTEREST | 84,407,356 | 100 | 68,068,822 | 100 |
| 36 | CONTRIBUTED CAPITAL | 46,303,808 | 55 | 40,279,910 | 59 |

| | | | | | |
|----|---|--------------|------|--------------|-------|
| 37 | CAPITAL STOCK (NOMINAL) | 302,971 | 0 | 310,461 | 0 |
| 38 | RESTATEMENT OF CAPITAL STOCK | 27,873,330 | 33 | 28,366,063 | 42 |
| 39 | PREMIUM ON SALES OF SHARES | 18,127,507 | 21 | 11,603,386 | 17 |
| 40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 | 0 | 0 |
| 41 | CAPITAL INCREASE (DECREASE) | 38,103,548 | 45 | 27,788,912 | 41 |
| 42 | RETAINED EARNINGS AND CAPITAL RESERVE | 91,096,474 | 108 | 90,086,855 | 132 |
| 43 | RESERVE FOR REPURCHASE OF OWN SHARES | 0 | 0 | 0 | 0 |
| 44 | EXCESS (SHORTFALL) FROM RESTATEMENT OF STOCKHOLDERS' EQUITY | (62,897,412) | (75) | (73,962,004) | (109) |
| 45 | NET INCOME | 9,904,486 | 12 | 11,664,061 | 17 |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 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 | | QUARTER OF PREVIOUS | |
|----------|----------|--------------------|--|---------------------|--|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | | | | |

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| | | Amount | % | Amount | % |
|----|--|------------|-----|------------|-----|
| 3 | CASH AND SHORT- TERM INVESTMENTS | 6,642,628 | 100 | 2,185,303 | 100 |
| 46 | CASH | 1,043,703 | 16 | 1,334,040 | 61 |
| 47 | SHORT-TERM INVESTMENTS | 5,598,925 | 84 | 851,263 | 39 |
| | | | | | |
| 18 | DEFERRED ASSETS, NET | 1,865,345 | 100 | 751,836 | 100 |
| 48 | AMORTIZED OR REDEEMED EXPENSES | 769,856 | 41 | 617,971 | 82 |
| 49 | GOODWILL | 1,095,489 | 59 | 133,865 | 18 |
| 50 | DEFERRED TAXES | 0 | 0 | 0 | 0 |
| 51 | OTHERS | 0 | 0 | 0 | 0 |
| | | | | | |
| 21 | CURRENT LIABILITIES | 34,490,525 | 100 | 36,936,397 | 100 |
| 52 | FOREIGN CURRENCY LIABILITIES | 11,901,195 | 35 | 16,295,979 | 44 |
| 53 | MEXICAN PESOS LIABILITIES | 22,589,330 | 65 | 20,640,418 | 56 |
| | | | | | |
| 24 | STOCK MARKET SHORT-TERM SECURITIES | 850,000 | 100 | 11,880,411 | 100 |
| 54 | COMMERCIAL PAPER | 0 | 0 | 954,177 | 8 |
| 55 | MEDIUM-TERM NOTES | 0 | 0 | 0 | 0 |
| 56 | CURRENT MATURITIES OF SECURITIES | 850,000 | 100 | 10,926,234 | 92 |
| | | | | | |
| 26 | OTHER CURRENT LIABILITIES | 16,734,826 | 100 | 14,400,859 | 100 |
| 57 | OTHER CURRENT LIABILITIES WITH COST | 0 | 0 | 0 | 0 |
| 58 | OTHER CURRENT LIABILITIES WITHOUT COST | 16,734,826 | 100 | 14,400,859 | 100 |
| | | | | | |
| 27 | LONG - TERM LIABILITIES | 48,114,037 | 100 | 42,142,104 | 100 |
| 59 | FOREIGN CURRENCY LIABILITIES | 40,214,037 | 84 | 34,375,479 | 82 |
| 60 | MEXICAN PESOS LIABILITIES | 7,900,000 | 16 | 7,766,625 | 18 |
| | | | | | |
| 29 | STOCK MARKET LONG-TERM SECURITIES | 35,129,000 | 100 | 24,155,976 | 100 |
| 61 | BONDS | 35,129,000 | 100 | 24,155,976 | 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 | 20,760,015 | 100 | 14,793,734 | 100 |
| 65 | GOODWILL | 0 | 0 | 0 | 0 |
| 66 | DEFERRED TAXES | 20,760,015 | 100 | 14,793,734 | 100 |
| 67 | OTHERS | 0 | 0 | 0 | 0 |
| | | | | | |
| 32 | OTHER LIABILITIES | 0 | 100 | 4,445,918 | 100 |
| 68 | RESERVES | 0 | 0 | 4,445,918 | 100 |
| 69 | OTHERS LIABILITIES | 0 | 0 | 0 | 0 |
| | | | | | |
| 44 | EXCESS (SHORTFALL) FROM RESTATEMENTS OF STOCKHOLDERS' EQUITY | (62,897,412) | 100 | (73,962,004) | 100 |
| 70 | ACCUMULATED MONETARY POSITION INCOME | (13,139,473) | 21 | (13,138,615) | 18 |
| 71 | RESULT FROM HOLDING NON-MONETARY ASSETS | (49,757,939) | 79 | (60,823,389) | 82 |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-03

CONSOLIDATED BALANCE SHEETS

- OTHER CONCEPTS -

(Thousand Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|--|--------------------------------------|--|
| | | Amount | Amount |
| 72 | WORKING CAPITAL | 2,080,286 | (4,705,093) |
| 73 | PENSIONS FUND AND SENIORITY PREMIUMS | 0 | 4,445,918 |
| 74 | EXECUTIVES (*) | 124 | 134 |
| 75 | EMPLOYEES (*) | 11,233 | 11,471 |
| 76 | WORKERS (*) | 49,989 | 51,563 |
| 77 | OUTSTANDING SHARES (*) | 12,118,859,954 | 12,418,455,194 |
| 78 | REPURCHASE OF OWN SHARES (*) | 381,537,500 | 358,646,531 |
| | | | |
| | | | |
| (*) | THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS. | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-04

CONSOLIDATED STATEMENTS OF INCOME

- FROM APRIL 01 TO JUNE 30, 2004 & 2003 -

(Thousand Pesos)

Final printing

| REF R | CONCEPTS | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|----------|----------|-----------------------|------------------------|
|----------|----------|-----------------------|------------------------|

| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
|----|---|----------------|-----|----------------|-----|
| | | Amount | % | Amount | % |
| 1 | OPERATING REVENUES | 59,152,706 | 100 | 58,060,801 | 100 |
| 2 | COST OF SALES AND SERVICES | 30,866,980 | 52 | 29,890,012 | 51 |
| 3 | GROSS INCOME | 28,285,726 | 48 | 28,170,789 | 49 |
| 4 | OPERATING COSTS | 8,933,795 | 15 | 8,714,273 | 15 |
| 5 | OPERATING INCOME | 19,351,931 | 33 | 19,456,516 | 34 |
| 6 | COMPREHENSIVE FINANCING COST | 1,685,382 | 3 | 879,134 | 2 |
| 7 | INCOME AFTER COMPREHENSIVE FINANCING COST | 17,666,549 | 30 | 18,577,382 | 32 |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 0 | 0 | 0 |
| 9 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 17,666,549 | 30 | 18,577,382 | 32 |
| 10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 7,721,544 | 13 | 6,810,355 | 12 |
| 11 | INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 9,945,005 | 17 | 11,767,027 | 20 |
| 12 | EQUITY IN RESULTS OF SUBSIDIARIES AND AFFILIATES | (40,519) | 0 | (102,966) | 0 |
| 13 | INCOME FROM CONTINUOUS OPERATIONS | 9,904,486 | 17 | 11,664,061 | 20 |
| 14 | INCOME FROM DISCONTINUOUS OPERATIONS, NET | 0 | 0 | 0 | 0 |
| 15 | NET INCOME BEFORE EXTRAORDINARY ITEMS | 9,904,486 | 17 | 11,664,061 | 20 |
| 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 | 9,904,486 | 17 | 11,664,061 | 20 |
| 19 | MINORITY INTEREST | 0 | 0 | 0 | 0 |
| 20 | MAJORITY INTEREST | 9,904,486 | 17 | 11,664,061 | 20 |
| | | | | | |

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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 | 59,152,706 | 100 | 58,060,801 | 100 |
| 21 | DOMESTIC | 57,416,841 | 97 | 57,283,122 | 99 |
| 22 | FOREIGN | 1,735,865 | 3 | 777,679 | 1 |
| 23 | TRANSLATION INTO DOLLARS (***) | 152,114 | 0 | 70,197 | 0 |
| | | | | | |
| 6 | COMPREHENSIVE FINANCING COST | 1,685,382 | 100 | 879,134 | 100 |
| 24 | INTEREST EXPENSE | 2,796,619 | 166 | 2,941,852 | 335 |
| 25 | EXCHANGE LOSS | 674,341 | 40 | 689,570 | 78 |
| 26 | INTEREST INCOME | 1,066,457 | 63 | 2,014,822 | 229 |
| 27 | EXCHANGE GAIN | 0 | 0 | 0 | 0 |
| 28 | INCOME DUE TO MONETARY POSITION | (719,121) | (43) | (737,466) | (84) |
| 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 | | 7,721,544 | 100 | 6,810,355 | 100 |

| | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | | | | |
|-------|---|-----------|-----|-----------|----|
| 32 | INCOME TAX | 6,673,463 | 86 | 5,570,876 | 82 |
| 33 | DEFERRED INCOME TAX | (387,014) | (5) | 15,109 | 0 |
| 34 | EMPLOYEE PROFIT SHARING | 1,435,095 | 19 | 1,224,370 | 18 |
| 35 | DEFERRED EMPLOYEE PROFIT SHARING | 0 | 0 | 0 | 0 |
| | | | | | |
| | | | | | |
| (***) | THOUSAND DOLLARS | | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2004

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 | 59,152,705 | 58,060,800 |
| 37 | NET INCOME | 0 | 0 |
| 38 | OPERATING REVENUES (**) | 119,914,595 | 119,123,941 |
| 39 | OPERATING INCOME (**) | 40,172,513 | 40,615,234 |
| 40 | NET INCOME OF MAJORITY | 21,069,589 | 22,028,989 |

| | | | |
|------|---------------------------------------|------------|------------|
| | INTEREST (**) | | |
| 41 | NET INCOME (**) | 21,069,589 | 22,028,989 |
| | | | |
| | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-07

CONSOLIDATED STATEMENTS OF INCOME

- FROM APRIL 01 TO JUNE 30, 2004 & 2003 -

(Thousand Pesos)

Final printing

| REF RT | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|-----------|---|--------------------|-----|---------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| 1 | OPERATING REVENUES | 30,079,675 | 100 | 29,136,848 | 100 |
| 2 | COST OF SALES AND SERVICES | 15,905,321 | 53 | 14,981,801 | 51 |
| 3 | GROSS INCOME | 14,174,354 | 47 | 14,155,047 | 49 |
| 4 | OPERATING COST | 4,499,158 | 15 | 4,451,692 | 15 |
| 5 | OPERATING INCOME | 9,675,196 | 32 | 9,703,355 | 33 |
| 6 | COMPREHENSIVE FINANCING COST | 1,648,678 | 5 | (799,751) | (3) |
| 7 | INCOME AFTER COMPREHENSIVE FINANCING COST | 8,026,518 | 27 | 10,503,106 | 36 |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 0 | 0 | 0 |
| 9 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 8,026,518 | 27 | 10,503,106 | 36 |

| | | | | | |
|----|---|-----------|----|-----------|----|
| 10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 3,613,438 | 12 | 3,969,766 | 14 |
| 11 | INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 4,413,080 | 15 | 6,533,340 | 22 |
| 12 | EQUITY IN RESULTS OF SUBSIDIARIES AND AFFILIATES | (12,004) | 0 | (65,636) | 0 |
| 13 | INCOME FROM CONTINUOUS OPERATIONS | 4,401,076 | 15 | 6,467,704 | 22 |
| 14 | INCOME FROM DISCONTINUOUS OPERATIONS, NET | 0 | 0 | 0 | 0 |
| 15 | NET INCOME BEFORE EXTRAORDINARY ITEMS | 4,401,076 | 15 | 6,467,704 | 22 |
| 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 | 4,401,076 | 15 | 6,467,704 | 22 |
| 19 | MINORITY INTEREST | 0 | 0 | 0 | 0 |
| 20 | MAJORITY INTEREST | 4,401,076 | 15 | 6,467,704 | 22 |
| | | | | | |

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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 | 30,079,675 | 100 | 29,136,848 | 100 |
| 21 | DOMESTIC | 28,843,108 | 96 | 28,648,087 | 98 |
| 22 | FOREIGN | 1,236,567 | 4 | 488,761 | 2 |
| 23 | TRANSLATION INTO DOLLARS (***) | 107,163 | 0 | 44,994 | 0 |
| | | | | | |
| 6 | COMPREHENSIVE FINANCING COST | 1,648,678 | 100 | (799,751) | 100 |
| 24 | INTEREST EXPENSE | 1,476,913 | 90 | 2,483,158 | 310 |
| 25 | EXCHANGE LOSS | 991,318 | 60 | 0 | 0 |
| 26 | INTEREST INCOME | 776,537 | 47 | 1,689,795 | 211 |
| 27 | EXCHANGE GAIN | 0 | 0 | 1,520,506 | 190 |
| 28 | INCOME DUE TO MONETARY POSITION | (43,016) | (3) | (72,608) | (9) |
| 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 | 3,613,438 | 100 | 3,969,766 | 100 |
| 32 | INCOME TAX | 2,957,494 | 82 | 3,241,264 | 82 |
| 33 | DEFERRED INCOME TAX | (59,022) | (2) | 134,922 | 3 |
| 34 | EMPLOYEE PROFIT SHARING | 714,966 | 20 | 593,580 | 15 |
| 35 | DEFERRED EMPLOYEE PROFIT SHARING | 0 | 0 | 0 | 0 |
| | | | | | |
| | | | | | |
| (***) | THOUSANDS OF DOLLARS | | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-09

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

- FROM APRIL 01 TO JUNE 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 | 9,904,486 | 11,664,061 |
| 2 | ADD (DEDUCT) ITEMS NOT REQUIRING THE USE OF RESOURCES | 10,126,058 | 10,221,339 |
| 3 | CASH FLOW FROM NET INCOME FOR THE YEAR | 20,030,544 | 21,885,400 |
| 4 | CASH FLOW FROM CHANGES IN WORKING CAPITAL | 6,368,955 | (12,231,071) |
| 5 | RESOURCES PROVIDED BY OPERATING ACTIVITIES | 26,399,499 | 9,654,329 |
| 6 | CASH FLOW FROM OUTSIDE FINANCING | (7,741,351) | (8,443,876) |
| 7 | CASH FLOW FROM OWN FINANCING | (4,764,495) | (9,909,827) |
| 8 | RESOURCES PROVIDED BY FINANCING ACTIVITIES | (12,505,846) | (18,353,703) |
| 9 | RESOURCES PROVIDED BY INVESTMENT ACTIVITIES | (17,611,504) | (2,603,471) |
| 10 | NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS | (3,717,851) | (11,302,845) |
| 11 | CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD | 10,360,479 | 13,488,148 |

| | | | |
|----|--|-----------|-----------|
| 12 | CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD | 6,642,628 | 2,185,303 |
| | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 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 | 10,126,058 | 10,221,339 |
| 13 | (+)DEPRECIATION AND AMORTIZATION FOR THE YEAR | 10,472,553 | 10,103,264 |
| 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 | 118,075 |
| 40 | | (346,495) | 0 |

| | | | |
|----|---|--------------|--------------|
| | (+) OTHER ITEMS NOT CONSIDERED FOR EBITDA CALCULATION | | |
| 4 | CASH FLOW FROM CHANGES IN WORKING CAPITAL | 6,368,955 | (12,231,071) |
| 18 | +(-) DECREASE (INCREASE) IN ACCOUNT RECEIVABLE | (679,079) | (893,855) |
| 19 | +(-) DECREASE (INCREASE) IN INVENTORIES | (50,207) | 250,813 |
| 20 | +(-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLE AND OTHER ASSETS | 4,726,059 | (4,090,518) |
| 21 | +(-) INCREASE (DECREASE) IN SUPPLIERS ACCOUNT | 0 | 0 |
| 22 | +(-) INCREASE (DECREASE) IN OTHER LIABILITIES | 2,372,182 | (7,497,511) |
| 6 | CASH FLOW FROM OUTSIDE FINANCING | (7,741,351) | (8,443,876) |
| 23 | + SHORT-TERM BANK FINANCING AND DEBT SECURITIES | 15,618,534 | 5,574,128 |
| 24 | + LONG-TERM BANK FINANCING AND DEBT SECURITIES | 0 | 0 |
| 25 | + DIVIDEND RECEIVED | 0 | 0 |
| 26 | + OTHER FINANCING | 0 | 75,237 |
| 27 | (-) BANK FINANCING AMORTIZATION | (16,086,071) | (13,398,099) |
| 28 | (-) DEBT SECURITIES AMORTIZATION | (6,713,355) | (695,142) |
| 29 | (-) OTHER FINANCING AMORTIZATION | (560,459) | 0 |
| 7 | CASH FLOW FROM OWN FINANCING | (4,764,495) | (9,909,827) |
| 30 | +(-) INCREASE (DECREASE) IN CAPITAL STOCK | 17,480 | (599,837) |
| 31 | (-) DIVIDENDS PAID | (3,924,785) | (3,863,961) |
| 32 | + PREMIUM ON SALE OF SHARES | 6,523,370 | 0 |
| 33 | + CONTRIBUTION FOR FUTURE CAPITAL INCREASES | (7,380,560) | (5,446,029) |
| 9 | RESOURCES PROVIDED BY INVESTMENT ACTIVITIES | (17,611,504) | (2,603,471) |
| 34 | +(-) DECREASE (INCREASE) IN STOCK INVESTMENTS OF PERMANENT NATURE | (4,734,931) | (1,129) |
| 35 | | (5,119,274) | (2,566,017) |

| | | | |
|----|--|-------------|----------|
| | (-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT | | |
| 36 | (-) INCREASE IN CONSTRUCTIONS IN PROCESS | (571,752) | 0 |
| 37 | + SALE OF OTHER PERMANENT INVESTMENTS | 0 | 0 |
| 38 | + SALE OF TANGIBLE FIXED ASSETS | 0 | 0 |
| 39 | +(-) OTHER ITEMS | (7,185,547) | (36,325) |

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 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 | 16.74 | % | 20.09 | % |
| 2 | NET INCOME TO STOCKHOLDERS' EQUITY (**) | 24.96 | % | 32.36 | % |
| 3 | NET INCOME TO TOTAL ASSETS (**) | 11.22 | % | 13.24 | % |
| 4 | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME | 17.19 | % | 18.68 | % |

| | | | | | |
|------|---|-------|-------|---------|-------|
| 5 | INCOME DUE TO MONETARY POSITION TO NET INCOME | 7.26 | % | 6.32 | % |
| | ACTIVITY | | | | |
| 6 | OPERATING REVENUES TO TOTAL ASSETS (**) | 0.64 | times | 0.72 | times |
| 7 | OPERATING REVENUES TO FIXED ASSETS (**) | 0.98 | times | 0.96 | times |
| 8 | INVENTORIES ROTATION (**) | 65.91 | times | 41.25 | times |
| 9 | ACCOUNTS RECEIVABLE IN DAYS OF SALES | 48 | days | 51 | days |
| 10 | INTEREST PAID TO TOTAL LIABILITIES WITH COST (**) | 8.95 | % | 9.69 | % |
| | LEVERAGE | | | | |
| 11 | TOTAL LIABILITIES TO TOTAL ASSETS | 55.05 | % | 59.09 | % |
| 12 | TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY | 1.22 | times | 1.44 | times |
| 13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 50.42 | % | 51.54 | % |
| 14 | LONG-TERM LIABILITIES TO FIXED ASSETS | 39.21 | % | 33.82 | % |
| 15 | OPERATING INCOME TO INTEREST EXPENSE | 6.92 | times | 6.61 | times |
| 16 | OPERATING REVENUES TO TOTAL LIABILITIES (**) | 1.16 | times | 1.21 | times |
| | LIQUIDITY | | | | |
| 17 | CURRENT ASSETS TO CURRENT LIABILITIES | 1.06 | times | 0.87 | times |
| 18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 1.03 | times | 0.85 | times |
| 19 | CURRENT ASSETS TO TOTAL LIABILITIES | 0.35 | times | 0.33 | times |
| 20 | AVAILABLE ASSETS TO CURRENT LIABILITIES | 19.26 | % | 5.92 | % |
| | STATEMENT OF CHANGES IN FINANCIAL POSITION | | | | |
| 21 | CASH FLOW FROM NET INCOME TO OPERATING REVENUES | 33.86 | % | 37.69 | % |
| 22 | CASH FLOW FROM CHANGES IN WORKING CAPITAL TO OPERATING REVENUES | 10.77 | % | (21.07) | % |
| 23 | RESOURCES PROVIDED BY OPERATING ACTIVITIES TO INTEREST EXPENSES | 9.44 | times | 3.28 | times |
| 24 | OUTSIDE FINANCING TO RESOURCES PROVIDED BY FINANCING ACTIVITIES | 61.90 | % | 46.01 | % |
| 25 | OWN FINANCING TO RESOURCES PROVIDED BY FINANCING ACTIVITIES | 38.10 | % | 53.99 | % |
| 26 | ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT TO RESOURCES PROVIDED BY INVESTMENT ACTIVITIES | 29.07 | % | 98.56 | % |
| | | | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | | | |

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 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 (**) | 1.74 | \$ | 1.77 | \$ |
| 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 (**) | 1.74 | \$ | 1.77 | \$ |
| 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 | 6.96 | \$ | 5.48 | \$ |
| 9 | ACUMULATED CASH DIVIDEND PER SHARE | 0.32 | \$ | 0.31 | \$ |
| 10 | SHARE DIVIDENDS PER SHARE | 0.00 | shares | 0.00 | shares |
| 11 | MARKET PRICE TO CARRYING VALUE | 2.79 | times | 3.07 | times |
| 12 | | 11.17 | times | 9.50 | times |

| | | | | | |
|------|---|------|-------|------|-------|
| | MARKET PRICE TO BASIC INCOME PER ORDINARY SHARE (**) | | | | |
| 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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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 1

CHIEF EXECUTIVE OFFICER REPORT

Consolidated

Final printing

Second Quarter 2004

Second Quarter Results

- In the second quarter of 2004, 383 thousand lines were added raising the total to 16 million 466 thousand lines, an increase of 9.3%
 - 110 thousand users were added to broadband Internet service, increasing the number of Prodigy Infinitum accounts to 339 thousand
 - 305 thousand line equivalents for the data business were added, totaling 2 million 769 thousand lines, an increase of 33.3%

Traffic

- Local calls increased 2.3%
- Interconnection traffic increased 15.3%
- DLD minutes increased 7.5%

- ILD outgoing minutes increased 9.1%

Financial

- Revenues totaled 30,080 million pesos, 3.2% higher than in 2003
- EBITDA rose to 15,087 million pesos, 2.9% higher than the second quarter of 2003
- Earnings per share were 0.36 pesos and 0.64 dollars per ADR

Operating results

Local

Line gain for the quarter was 382,893, 16.3% higher than the second quarter of 2003. At June 30, there were 16,465,654 lines, an annual increase of 9.3%. Of the additions during the quarter, the prepaid system generated 26.9%, bringing the total of Multifon Hogar lines to 899,311, 116.0% more than the previous year.

In the second quarter, digital services attained market penetration of 36.5% of lines in service. At June 30, there were 6,491,121 basic voice mails (Buzon TELMEX) in operation, an increase of 200.5% compared with the previous year and market penetration of 39.4% of lines in service.

During the quarter, 6,709 million local calls were made, an annual increase of 2.3%. For the six months, total local traffic was 13,463 million calls, 3.1% higher than the same period of 2003.

Interconnection traffic totaled 7,502 million minutes during the quarter, 15.3% more than in the same period of the previous year. For the first half, interconnection traffic increased 14.2% compared with the same period of last year totaling 14,365 million minutes.

Long distance

In the second quarter, DLD traffic totaled 4,158 million minutes, 7.5% higher than the same period of 2003. In the first half, DLD traffic totaled 8,188 million minutes, with an increase of 6.4% compared with the same period of the previous year.

ILD outgoing minutes increased 9.1% totaling 415 million minutes. Incoming ILD minutes totaled 1,212 million minutes, 100.7% higher than the same period of 2003. The incoming-outgoing ratio was 2.9 compared with 1.6 last year. For the six months, ILD outgoing minutes totaled 834 million and incoming 2,107 million, providing increases of 8.3% and 84.7%, respectively, compared with the same periods of 2003.

Data

At June 30, Internet access accounts (dial-up and broadband) rose to 1,551,610, an increase of 20.5% compared with the same period of the previous year.

In the second quarter, the number of new Prodigy Infinitum (ADSL) customers doubled compared with the first quarter as 110,414 signed up for the broadband service. At June 30, there were 339,306 Prodigy Infinitum accounts in operation, 177.0% more than the same period of 2003.

In corporate services related to data transmission, there was an increase of 33.3% in line equivalents compared with the previous year, bringing the total to 2,768,980 line equivalents for data.

Acquisitions

TELMEX continued its international expansion with three transactions that will help the company to consolidate its presence in the Chilean and Brazilian markets and complement the services it offers in the region.

In April, TELMEX announced that it would acquire the participation of MCI, Inc. in Embratel Participações S.A. (Embratel) for 400 million dollars. The shares to be purchased represent approximately 51.8% of the outstanding voting stock of Embratel and approximately 19.3% of Embratel's total equity. As part of this process, Anatel approved TELMEX's acquisition of Embratel.

In April, TELMEX acquired 40% of Chilesat Corp. S.A. (Chilesat) in a private transaction. In accordance with Chilean law, the company announced that it would make a public offer to acquire the remaining shares. In June, TELMEX acquired 278.5 million of Chilesat's additional shares, increasing TELMEX's participation to 99.3% of Chilesat. The total amount invested in this company was 114 million dollars.

In June, TELMEX announced its intention to acquire a participation in Net Serviços de Comunicação S.A. (Net). The price of the transaction will depend on Net's debt restructure and it is estimated that it will be between 250 and 370 million dollars for a participation of between 30% to 60% of the total shares outstanding. The transaction is subject to the debt restructuring and to related regulatory approvals.

Consolidated Financial Results

Revenues

In the second quarter of 2004, total revenues rose to 30,080 million pesos, an increase of 3.2%, compared with the same period of the previous year. For the six months, revenues increased 1.9%, totaling 59,153 million pesos.

- **Local**

: revenues increased 2.0% compared with the second quarter of 2003. The increase was due to line gain and local traffic growth as well as the increase in penetration of digital services and Buzon TELMEX. For the six months, these

revenues increased 1.0%.

- **DLD**

: revenues increased 5.1% in the second quarter due to the incorporation of the subsidiaries in Latin America as well as growth in the data business. The increase for the six months was 3.0%.

- **ILD**

: revenues increased 4.3% compared with the second quarter of 2003 due to the increase of incoming traffic. For the first half, these revenues increased 2.8%.

- **Interconnection**

: revenues increased 1.5% compared with the second quarter of the previous year as a result of higher traffic for the several telecommunications operators that use the company's infrastructure. For the six months, interconnection revenues increased 0.6%.

- **Data**

: revenues related to Internet services, rent and installation of line equivalents and value-added services related to data transmission increased 24.0% in the second quarter compared with the same period of 2003. These revenues rose to 4,167 million pesos in the second quarter, reflecting the increase in the number of broadband users, a higher number of line equivalents in operation and the incorporation of the new subsidiaries in Latin America. For the six months, these revenues increased 19.8%, totaling 8,085 million pesos.

Costs and Expenses

Costs and expenses increased 5.0% compared with the same period of the previous year and 3.1% for the six months totaling 20,405 and 39,801 million pesos, respectively.

- **Cost of sales and services:**

increased 6.9% due to higher payments for the development of engineering projects related to the company's investment program, higher data network maintenance expenses and increases in the cost of electricity service. Additionally, the increase reflected last-mile access costs paid by TELMEX's subsidiaries in Latin America and salary and benefit costs for those companies' personnel. For the six months, cost of sales and services increased 4.2%.

- **Commercial, administrative and general expenses:**

increased 1.1% in the quarter due to higher advertising related to Prodigy Infinitum 256 Kbps and Lada 100, as well as higher commission payments for collecting services. For the six months, they increased 2.5%.

- **Interconnection:**

decreased 0.2% due to the stabilization of Calling Party Pays traffic in the quarter. For the six months, they increased 0.6%.

- **Depreciation and Amortization:**

increased 9.2% in the quarter due to the incorporation of additional assets from the new subsidiaries in Latin America as well as the devaluation of the Mexican peso to the US dollar. For the six months, the increase was 3.7%.

EBITDA and Operating Income

EBITDA rose to 15,087 million pesos in the quarter, 2.9% higher than the same period of last year. Operating income totaled 9,675 million pesos, almost the similar amount as the same period of the previous year. The EBITDA and operating margins were 50.2% and 32.2%, respectively. For the six months, EBITDA and operating income were 29,825 and 19,352 million pesos, respectively an increase of 0.9% and a decrease of 0.5%, compared with the same period in the previous year.

Comprehensive Financing Cost

Comprehensive financing cost was 1,648 million pesos during the second quarter compared with a positive impact (due to an exchange gain) of 800 million pesos in the year-ago period. The cost in the 2004 period was due to a net interest charge of 700 million pesos and an exchange loss of 991 million pesos caused by the 2.3% devaluation of the peso to the US dollar (11.4116 vs. 11.1540 pesos per dollar), partially offset by a monetary gain of 43 million pesos.

Net Income

Net income totaled 4,401 million pesos, 32.0% lower than the same period of 2003, partially due to the impact of comprehensive financing cost. For the six months, net income totaled 9,904 million pesos, 15.1% lower than the same period of 2003. Earnings per share for the second quarter, based on the number of shares outstanding at period end, were 0.36 pesos, and earnings per ADR were 0.64 dollars.

Repurchase of Shares

From April 1st to June 30, the company repurchased 201,963,800 of its own shares outstanding, representing 1.7% of outstanding shares at the end of March.

Debt

Total debt, short-term and long-term equaled 5.482 billion dollars compared with 5.627 billion dollars in June 2003, a decrease of 2.6%. Excluding hedges, 83.3% of total debt was foreign-denominated and at the end of the quarter, currency hedges covered 350 million dollars of the total debt. Additionally, interest rate swaps were carried out for 12,390 million pesos producing a new fixed rate of 9.2% with average maturities of 5 years and interest rate swaps for 1,050 million dollars resulting in an integrated effect of a reduction of 91 basis points in the cost of the floating interest rate. After the interest rate swaps, fixed rate debt represents 69.0% of total debt.

Syndicated Bank Loan

On July 15, TELMEX closed on a syndicated bank loan for 2.425 billion dollars in two tranches. The first includes 1.525 billion dollars with a three-year maturity at Libor plus 0.45% and the second is for 900 million dollars with a five-year maturity at Libor plus 0.525%. Twenty-two banks participated in this transaction.

Convertible Senior Debentures

On June 16, TELMEX announced that it issued 385,285,200 series "L" shares from treasury as a result of the maturity and conversion of its U.S.\$1,000,000,000 4.25% Convertible Senior Debentures issued in June 1999 with maturity on June 15, 2004. The transaction covered the outstanding balance at the moment of conversion of approximately 570 million dollars of the debentures.

Consolidation Effect of Subsidiaries in Latin America

Integrating TELMEX's subsidiaries in Latin American in the second quarter income statement resulted in recognizing additional revenues of 548 million pesos and operating expenses of approximately 646 million pesos including depreciation of 166 million pesos. EBITDA totaled 68 million pesos.

Local Service Business Mexico

| Income statements (Millions of Mexican constant pesos as of June 2004) | 2Q2004 | 2Q2003 | % Increase | 6 months 2004 | 6 months 2003 | % Increase |
|---|--------|--------|------------|------------------|------------------|------------|
| Operating revenues | | | | | | |
| Access, rent and measured service | 13,753 | 13,598 | 1.1 | 27,216 | 27,091 | 0.5 |
| Recovery of LADA special projects | 605 | 462 | 31.0 | 1,124 | 942 | 19.3 |
| LADA interconnection | 1,145 | 875 | 30.9 | 2,127 | 1,782 | 19.4 |
| Interconnection with operators | 359 | 293 | 22.5 | 637 | 569 | 12.0 |
| Interconnection with cellular | 4,199 | 4,235 | (0.9) | 8,297 | 8,360 | (0.8) |
| Other | 2,286 | 2,077 | 10.1 | 4,445 | 4,186 | 6.2 |
| Total | 22,347 | 21,540 | 3.7 | 43,846 | 42,930 | 2.1 |
| Operating costs and expenses | | | | | | |
| Cost of sales and services | 5,197 | 4,890 | 6.3 | 9,909 | 9,282 | 6.8 |
| Commercial, administrative and general | 3,882 | 3,853 | 0.8 | 7,468 | 7,457 | 0.1 |
| Interconnection | 3,153 | 3,161 | (0.3) | 6,270 | 6,238 | 0.5 |

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| | | | | | | |
|-------------------------------|--------|--------|-----|--------|--------|-------|
| Depreciation and amortization | 3,556 | 3,349 | 6.2 | 6,872 | 6,763 | 1.6 |
| Total | 15,788 | 15,253 | 3.5 | 30,519 | 29,740 | 2.6 |
| | | | | | | |
| Operating income | 6,559 | 6,287 | 4.3 | 13,327 | 13,190 | 1.0 |
| | | | | | | |
| EBITDA | 10,115 | 9,636 | 5.0 | 20,199 | 19,953 | 1.2 |
| EBITDA Margin (%) | 45.3 | 44.7 | 0.6 | 46.1 | 46.5 | (0.4) |
| Operating Margin (%) | 29.4 | 29.2 | 0.2 | 30.4 | 30.7 | (0.3) |

Comments on Local Financial Results Mexico

The local service income statement, prepared in accordance with accounting separation principles, shows that revenues for the second quarter increased 3.7% compared with the same period of the previous year. This result was due to the increase in interconnection on TELMEX's network from LADA and other long distance operators. Total local revenues were 22,347 million pesos and 43,846 million pesos for the six months, an increase of 2.1%

Operating costs and expenses rose 3.5% compared with the second quarter of 2003, reflecting an increase in the cost of sales and services of 5,197 million pesos and higher depreciation and amortization of 3,556 million pesos. Total operating costs and expenses were 15,788 million pesos in the second quarter and 30,519 million pesos for the six months, an increase of 2.6%.

For the quarter, operating income increased 4.3% to 6,559 million pesos and EBITDA totaled 10,115 million pesos, 5.0% higher than the same period of 2003. For the first half, EBITDA increased 1.2%, totaling 20,199 million pesos.

Long Distance Business Mexico

| Income statements (Millions of Mexican constant pesos as of June 2004) | 2Q2004 | 2Q2003 | % Increase | 6 months 2004 | 6 months 2003 | % Increase |
|---|--------|--------|------------|---------------|---------------|------------|
| Operating revenues | | | | | | |
| Domestic long distance | 3,925 | 4,427 | (11.3) | 7,928 | 8,928 | (11.2) |
| International long distance | 1,840 | 1,819 | 1.2 | 3,614 | 3,556 | 1.6 |

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| | | | | | | |
|--|-------|-------|--------|--------|--------|--------|
| Total | 5,765 | 6,246 | (7.7) | 11,542 | 12,484 | (7.5) |
| | | | | | | |
| Operating costs and expenses | | | | | | |
| Cost of sales and services | 1,175 | 1,235 | (4.9) | 2,256 | 2,388 | (5.5) |
| Commercial, administrative and general | 1,181 | 1,255 | (5.9) | 2,395 | 2,458 | (2.6) |
| Interconnection to the local network | 1,036 | 803 | 29.0 | 1,932 | 1,640 | 17.8 |
| Cost of LADA special projects | 543 | 420 | 29.3 | 1,012 | 859 | 17.8 |
| Depreciation and amortization | 741 | 743 | (0.3) | 1,432 | 1,457 | (1.7) |
| Total | 4,676 | 4,456 | 4.9 | 9,027 | 8,802 | 2.6 |
| | | | | | | |
| Operating income | 1,089 | 1,790 | (39.2) | 2,515 | 3,682 | (31.7) |
| | | | | | | |
| EBITDA | 1,830 | 2,533 | (27.8) | 3,947 | 5,139 | (23.2) |
| EBITDA Margin (%) | 31.7 | 40.6 | (8.9) | 34.2 | 41.2 | (7.0) |
| Operating Margin (%) | 18.9 | 28.7 | (9.8) | 21.8 | 29.5 | (7.7) |

Comments on Long Distance Financial Results Mexico

The long distance income statement prepared in accordance with accounting separation principles shows that long distance revenues decreased 7.7% in the second quarter. The decrease in revenues was due the reduction of domestic and international long distance rates in real terms, partially offset by a recovery in international and domestic long distance traffic. Total long distance revenues were 5,765 million pesos in the second quarter and 11,542 for the first half, decreases of 7.7% 7.5%, respectively.

In the second quarter, reductions of 60 million pesos in costs of sales and services and 74 million pesos in commercial, administrative and general expenses partially offset the increase in interconnection charges. Total

operating costs and expenses increased 4.9% compared with the second quarter of 2003 and totaled 4,676 million pesos. For the six months, operating costs and expenses increased 2.6%, totaling 9,027 million pesos.

Operating income decreased 39.2% and EBITDA decreased 27.8% in the second quarter, totaling 1,089 and 1,830 million pesos, respectively. For the six months, operating income and EBITDA decreased 31.7% and 23.2%, respectively, with operating income totaling 2,515 million pesos and EBITDA totaling 3,947 million pesos.

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

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 second quarter of 2004 by the specific index method and the NCPI, 5th document.

| CONCEPT | INDEX | NCPI 5 th . DOCUMENT |
|------------|-------|------------------------------------|
| Investment | Ps. | Ps. 345,341,402 |

| | | |
|--------------------------|---------------|---------------|
| | 317,530,559 | |
| Depreciation | (196,234,541) | (222,758,058) |
| Construction in progress | 1,418,971 | 1,419,216 |
| | | |
| Total | 122,714,989 | 124,002,560 |
| | | |
| Results | 10,309,986 | 10,841,999 |

S 18 DEFERRED ASSETS

At June 30, 2004, deferred assets rose to Ps. 1,865,345 that is comprised mainly by Ps. 576,010, 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. 1,095,489 corresponds to goodwill that is caused by the share acquisitions of the mexican companies Teckmarketing and Multicom as well as the share acquisitions of the foreign companies Techtel and Chilesat.

S 19 OTHER ASSETS

This item rose to

\$ 25,187,033 and \$ 7,930,932 at June 30, 2004 and 2003, respectively, and is comprised by the following:

| | 2004 | 2003 |
|----------------------------|------------------|------------------|
| Inventories | Ps. 1,721,840 | Ps. 1,093,918 |
| Intangible assets D-3 | 0 | 6,837,014 |
| Projected net Asset D-3 | 23,465,193 | 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 June 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 \$23,465,193.

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, supplier's long-term opening to supplier's does not exist.

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.

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 June 30, 2004 and 2003, this item rose to Ps. 16,734,826 and Ps. 14,400,859 respectively and is comprised by the following concepts:

| | 2004 | 2003 |
|---------------------------|-------------------|------------------|
| A c c o u n t s payable | Ps. 11,698,787 | Ps. 8,757,863 |
| A c c r u e d liabilities | 3,752,006 | 3,974,949 |
| D e f e r r e d credits | 1,284,033 | 1,668,047 |

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 \$ 35,129,000 and \$ 24,155,976 at June 30, 2004 and 2003, respectively and is comprised by the following:

| | 2004 | 2003 |
|-----------------------|--------------|------------------|
| Domestic Senior Notes | Ps 6,600,000 | Ps. 7,766,625 |

| | | |
|-------|------------|------------|
| Bonds | 28,529,000 | 16,389,351 |
|-------|------------|------------|

S 31 DEFERRED CREDITS

At June 30, 2004 and 2003, this item rose to Ps. 20,760,015 and Ps. 14,793,734, 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 June 30, 2003 this item rose to Ps. 4,445,918 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 June 30, 2004 and 2003, this item rose to Ps. 91,096,474 and Ps. 90,086,855, respectively and is comprised by the following concepts:

| | 2004 | 2003 |
|--|-------------------|-------------------|
| Legal reserve | Ps. 16,915,370 | Ps. 16,250,479 |
| Unappropriated earnings of prior years | 74,181,104 | 73,836,376 |

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 June 2004, the Company acquired 380.7 million Series "L" shares for Ps. 7,346,877 (historical cost of Ps. 7,325,186) and 0.8 million Series "A" shares for Ps. 16,286 (historical cost of Ps. 16,229).

From January to June 2003, the Company acquired 358.9 million Series "L" shares for Ps. 6,038,706 (historical cost of Ps. 5,783,662) and 1.8 million Series "A" shares for Ps. 30,217 (historical cost of Ps. 28,896).

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 June 30, 2004 and 2003, this item rose to Ps. (62,897,412) and Ps. (73,962,004), respectively and is comprised in the following manner:

| | 2004 | 2003 |
|---|---------------------|---------------------|
| Accumulated monetary position loss | Ps. (13,139,473) | Ps. (13,138,615) |
| Result from holding non-monetary assets | (49,757,939) | (60,823,389) |

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.

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 June 30, 2004 and 2003 this item rose to Ps. 8,970,325 and Ps. 13,309,883, respectively by the application of Bulletin B-4 comprehensive income; and is comprised by the following:

| | 2004 | 2003 |
|---|------------------|-------------------|
| Net income for the period | Ps. 9,904,486 | Ps. 11,664,061 |
| Result from holding non-monetary assets | 2,071,514 | 3,099,204 |
| Deferred income tax of the period | (317,934) | (1,082,564) |
| Effect of labor obligations | 0 | (370,818) |
| Effect of securities available for sale | (2,687,741) | 0 |
| | | |
| Comprehensive Income | 8,970,325 | 13,309,883 |

NOTES TO CONSOLIDATED STATEMENTS OF INCOME

R 33 DEFERRED INCOME TAX

At June 30, 2004 and 2003, Telmex Group recognized a net income of Ps. (387,014) and Ps. 15,109, 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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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 3

SHARE INVESTMENTS

Consolidated

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| COMPANY NAME | MAIN ACTIVITIES | NUMBER OF SHARES | OWNERSHIP | TOTAL AMOUNT (Thousand Pesos) | |
|--------------|-----------------|------------------|-----------|----------------------------------|---------------|
| | | | % | ACQUISITION COST | PRESENT VALUE |

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| SUBSIDIARIES | | | | | | |
|--------------|---|---|----------------|-------|------------|------------|
| 1 | Consertel, S.A. de C.V. | Investments in all types of businesses | 28,444,797,340 | 100 | 16,374,507 | 29,927,338 |
| 2 | Cía. de Teléfonos y Bienes Raíces, S.A. de C.V. | Real estate acquisition & leasing | 1,034,000,000 | 100 | 1,040,903 | 7,204,268 |
| 3 | Alquiladora de Casas, S.A. de C.V. | Real estate acquisition & leasing | 686,001,490 | 100 | 702,096 | 3,155,283 |
| 4 | Construcciones y Canalizaciones, S.A. de C.V. | Construction & maint. of telephone network | 28,369,000 | 100 | 28,636 | 516,849 |
| 5 | Empresa de Limpieza Mexicana, S.A. de C.V. | Cleaning Service Company | 50 | 100 | 49 | 58 |
| 6 | Renta de Equipo, S.A. de C.V. | Equipment, vehicles & real estate leasing | 769,595,000 | 100 | 769,645 | 850,907 |
| 7 | Multicomunicación Integral, S.A. de C.V. | Trunking, installation & sales services | 186,000,000 | 100 | 137,877 | 165,135 |
| 8 | Teleconstructora, S.A. de C.V. | Construction & maint. of telephone network | 19,400,000 | 100 | 19,397 | 116,919 |
| 9 | Anuncios en Directorios, S.A. de C.V. | Sale of advertising space in yellow pages | 1,081,750 | 100 | 1,240 | 68,102 |
| 10 | Operadora Mercantil, S.A. de C.V. | Sales agent advertising space in yellow pages | 50,000 | 100 | 54 | 1,365 |
| 11 | Impulsora Mexicana de Telecomunicaciones, S.A. | Network projects | 4,602,225 | 100 | 4,602 | 29,254 |
| 12 | Fuerza y Clima, S.A. de C.V. | Air conditioning installation & maint. | 4,925,000 | 100 | 4,944 | 73,571 |
| 13 | Teléfonos del Noroeste, S.A. de C.V. | Telecommunications services | 110,000,000 | 100 | 75,279 | 891,632 |
| 14 | Aerocomunicaciones, S.A. de C.V. | Aeronautic radiocom. mobile serv. | 76,723,650 | 99.99 | 76,724 | 80,061 |
| 15 | Tecmarketing, S.A. de C.V. | Telemarketing services | 6,850,000 | 100 | 138,972 | 189,224 |
| 16 | | Personnel services | 6,000 | 100 | 13 | 2,747 |

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| | | | | | | |
|----|---|--|---------------|-------|------------|------------|
| | Comertel Argos, S.A. de C.V. | | | | | |
| 17 | Telmex International, Inc. | Holding Company in the U S A. | 4 | 100 | 202,570 | 237,600 |
| 18 | Instituto Tecnológico de Telefonos de Mexico, A.C | Trainning & research services | 1,000 | 100 | 1 | 4 |
| 19 | Buscatel, S.A. de C.V. | Paging services | 111,645 | 100 | 142,445 | 260,229 |
| 20 | Consortio Red Uno, S.A. de C.V. | Design & integrated telecom. Services | 167,691,377 | 100 | 360,533 | 555,186 |
| 21 | Uninet, S.A. de C.V. | Data transmission services | 67,559,615 | 100 | 6,755,961 | 7,209,681 |
| 22 | Aerofrisco, S.A. de C.V. | Air Taxi services | 4,477,798,600 | 100 | 447,298 | 681,906 |
| 23 | Grupo Técnico de Administración, S.A. de C.V. | Management, consulting & org. Services | 61,952 | 100 | 62 | 69 |
| 24 | Teninver, S.A. de C.V. | Managment of yellow pages | 9,108,921 | 100 | 409,687 | 827,744 |
| 25 | Latam Telecomunicaciones, L.L.C. | Investments in all types of businesses | 100 | 100 | 5,246,715 | 5,257,044 |
| 26 | Telmex Internet Investments, L.L.C. | Investments in Internet companies | 1,000 | 100 | 998,867 | 1,212,140 |
| | | | | | | |
| | TOTAL INVESTMENT IN SUBSIDIARIES | | | | 33,939,077 | 59,514,316 |
| | | | | | | |
| | ASSOCIATES | | | | | |
| 1 | Technology and Internet , LLC | Internet services | 500 | 50 | 974,989 | 202,904 |
| 2 | Technology Fund I, LLC | Communication services | 500 | 50 | 20,898 | 17,587 |
| 3 | Grupo Telvista, S.A. de C.V. | Telemarketing in Mexico and USA | 450 | 45 | 510,138 | 473,650 |
| 4 | Centro Histórico de la Ciudad de México, SA de CV | Real estate services | 80,020,000 | 21.77 | 80,020 | 97,425 |
| 5 | TM & MS, LLC | Internet portal (TIMSN) | 1 | 50.00 | 29,621 | 28,441 |
| 6 | Telmex Corp., S.A. (antes Chilesat Corp., | Long Distance Services in Chile | 466,327,174 | 99.28 | 1,295,447 | 563,051 |

| | | | | | | |
|--|--------------------------------|--|--|--|-----------|------------|
| | S.A.) | | | | | |
| | | | | | | |
| | TOTAL INVESTMENT IN ASSOCIATES | | | | 2,911,113 | 1,383,058 |
| | OTHER PERMANENT INVESTMENTS | | | | | 50,697 |
| | TOTAL | | | | | 60,948,071 |

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 5

CREDITS BREAKDOWN

(Thousand Pesos)

Consolidated

Final printing

| Credit Type / Institution | Amortization Date | Rate of Interest | Denominated in Pesos | | Amortization of Credits in Foreign Currency With National Entities (Thousands Of Pesos) | | | | | |
|----------------------------|-------------------|------------------|----------------------|------------------|---|---------------|---------------|-----------------------|---|----|
| | | | Until 1 Year | More Than 1 Year | Time Interval | | | | | |
| | | | Current Year | Until 1 Year | Until 2 Years | Until 3 Years | Until 4 Years | Until 5 Years or more | | |
| BANKS | | | | | | | | | | |
| FOREIGN TRADE | | | | | | | | | | |
| AB SVENKS EXPORTKREDIT (1) | 14/12/05 | 2.94 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 15/07/04 | 1.49 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5, |

| | | | | | | | | | | | |
|---------------------------------|----------|------|---|---|---|---|---|---|---|---|---|
| ABN AMRO BANK (1) | | | | | | | | | | | |
| ABN AMRO BANK (1) | 14/03/08 | 3.37 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANAMEX AG. NY (1) | 24/12/06 | 2.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANCA SERFIN AG.NY (1) | 24/12/06 | 2.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BBV ARGENTARIA S.A. (1) | 22/12/07 | 2.69 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANCO INTERNAC SAG (1) | 24/12/06 | 2.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANCO SANTANDER CH NY (1) | 27/11/08 | 2.14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANK OF AMERICA (1) | 14/04/06 | 2.19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANK OF AMERICA (1) | 24/12/06 | 2.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANK OF AMERICA (1) | 19/07/04 | 1.40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BARCLAYS BANK, BRUSS (1) | 31/12/04 | 3.19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BARCLAYS BANK, BRUSS (1) | 31/12/05 | 2.94 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CITIBANK, N.A. (1) | 24/12/06 | 2.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CITIBANK, N.A. (1) | 15/07/04 | 1.48 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEXIA BANK (1) | 31/12/14 | 2.94 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EXPORT DEVELOPMENT (1) | 22/04/08 | 2.49 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GOLDMAN SACHS INT. (1) | 24/12/06 | 2.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| JAPAN BANK FOR INT COOP (1) | 10/10/11 | 2.82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| KREDITANSTALT FUR W. (1) | 15/12/06 | 3.24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| KREDITANSTALT FUR W. (1) | 30/11/04 | 2.44 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|----------------------------------|----------|------|---------|---------|---------|---------|---------|--------|---|---|---|
| NATEXIS BANQUE (2) | 31/03/22 | 2.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NORDEA BANK FINLAND (1) | 04/12/07 | 3.19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NORDIC INVESTMENT BANK (1) | 06/12/06 | 3.04 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SKANDINAVISKA ENSKILDA (1) | 28/02/10 | 3.37 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SOCIETE GENERALE PARIS (1) | 24/12/06 | 2.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SOCIETE GENERALE PARIS (1) | 24/12/06 | 2.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SOCIETE GENERALE PARIS (1) | 14/05/07 | 2.69 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANK OF TOKYO-MIT (1) | 28/12/08 | 3.29 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANAMEX, S.A. (1) | 27/06/05 | 2.94 | 0 | 0 | 109,627 | 111,542 | 0 | 0 | 0 | 0 | 0 |
| BANAMEX, S.A. (3) | 01/07/04 | 6.65 | 500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BBVA BANCOMER (1) | 10/10/06 | 2.84 | 0 | 0 | 62,923 | 63,865 | 130,613 | 66,777 | 0 | 0 | 0 |
| BBVA BANCOMER (1) | 10/10/06 | 2.94 | 0 | 0 | 119,549 | 123,559 | 127,707 | 0 | 0 | 0 | 0 |
| BBVA BANCOMER (1) | 19/07/04 | 1.61 | 0 | 0 | 228,232 | 0 | 0 | 0 | 0 | 0 | 0 |
| BBVA BANCOMER (1) | 19/07/04 | 1.40 | 0 | 0 | 570,580 | 0 | 0 | 0 | 0 | 0 | 0 |
| BBVA BANCOMER (1) | 19/07/04 | 1.46 | 0 | 0 | 570,580 | 0 | 0 | 0 | 0 | 0 | 0 |
| BBVA BANCOMER (3) | 27/08/05 | 7.18 | 0 | 800,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANCO INTERNACIONAL (1) | 24/12/06 | 2.75 | 0 | 0 | 13,301 | 6,713 | 13,426 | 6,713 | 0 | 0 | 0 |
| BBVA BANCOMER (4) | 21/05/07 | 7.72 | 0 | 500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BBVA BANCOMER (3) | 01/07/04 | 6.80 | 700,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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| | | | | | | | | | | | |
|--|----------|-------|------------|-----------|-----------|---------|---------|--------|---|---|----|
| CITIBANK MEXICO, S.A. (1) | 26/06/06 | 2.82 | 0 | 0 | 148,602 | 151,444 | 311,645 | 0 | 0 | 0 | |
| TESORERIA DE LA FEDER (1) | 24/12/06 | 2.75 | 0 | 0 | 26,069 | 13,137 | 26,274 | 13,137 | 0 | 0 | |
| SCOTIABANK INVERLAT (3) | 01/07/04 | 6.65 | 500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| VARIAS INSTITUCIONES (1) | 01/12/05 | 5.52 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| VARIAS INSTITUCIONES (2) | 01/06/11 | 7.32 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL BANKS | | | 1,700,000 | 1,300,000 | 1,849,463 | 470,260 | 609,665 | 86,627 | 0 | 0 | 7, |
| STOCK EXCHANGE | | | | | | | | | | | |
| PRIVATE PLACEMENTS | | | | | | | | | | | |
| UNSECURED DEBT | | | | | | | | | | | |
| SENIOR NOTES DUE 2006 (2) | 26/01/06 | 8.25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| SENIOR NOTES DUE 2008 (2) | 19/11/08 | 4.50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CERT. BURSATIL TMX 02-2 (5) | 10/02/05 | 8.22 | 850,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CERT. BURSATIL TMX 02 (6) | 09/02/07 | 8.35 | 0 | 1,650,000 | 0 | 0 | 0 | 0 | 0 | 0 | |
| C. B. TMX 01, 02-3 Y 02-4 (2) | 31/05/12 | 11.05 | 0 | 1,700,000 | 0 | 0 | 0 | 0 | 0 | 0 | |
| C. B. TELMEX 01-2 (6) | 26/10/07 | 8.45 | 0 | 3,250,000 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL STOCK EXCHANGE | | | 850,000 | 6,600,000 | 0 | 0 | 0 | 0 | 0 | 0 | |
| OTHER CURRENT LIABILITIES AND OTHER CREDITS | | | | | | | | | | | |
| OTHER CURRENT LIABILITIES AND OTHER CREDITS (S-26) | | | 16,734,826 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL OTHER CURRENT LIABILITIES AND OTHER CREDITS | | | 16,734,826 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL | | | 19,284,826 | 7,900,000 | 1,849,463 | 470,260 | 609,665 | 86,627 | 0 | 0 | 7, |

NOTES:

A.- Interest rates:

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

1. Libor plus margin
2. Fixed Rate
3. TIE plus margin
4. TIE 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 1.94 at June 30, 2004

- TIE

at 28 days is equivalent to 7.1781 at June 30, 2004

- TIE

at 92 days is equivalent to 7.6500 at June 24, 2004

- CETES

at 91 days is equivalent to 7.2200 at June 24, 2004

- CETES

at 182 days is equivalent to 7.5500 at June 24, 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

June 30,2004 were as follows:

| CURRENCY | AMOUNT | E.R. |
|------------------|-----------|---------|
| DOLLAR (U.S.) | 4,539,986 | 11.4116 |
| EURO | 21,789 | 13.8788 |

E.- There are other liabilities in foreign currency for an equivalent amount of P.4,322 thousand pesos.

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 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 | THOUSAND | THOUSAND | THOUSAND | THOUSAND |
| | DOLLARS | PESOS | DOLLARS | PESOS | PESOS |
| TOTAL ASSETS | 528,137 | 6,026,883 | 0 | 0 | 6,026,883 |
| LIABILITIES | 4,539,986 | 51,808,505 | 26,878 | 306,727 | 52,115,232 |
| SHORT-TERM LIABILITIES | 1,040,422 | 11,872,880 | 2,481 | 28,315 | 11,901,195 |
| LONG-TERM LIABILITIES | 3,499,564 | 39,935,625 | 24,397 | 278,412 | 40,214,037 |
| NET BALANCE | (4,011,849) | (45,781,622) | (26,878) | (306,727) | (46,088,349) |

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 | AMOUNT | E.R. |
|---------------|-----------|---------|
| DOLLAR (U.S.) | 4,539,986 | 11.4116 |
| EURO | 21,789 | 13.8788 |

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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 |
| ACTUALIZATION : | 0 | 0 | 0 | 0.00 | 3,731 |
| CAPITALIZATION : | 0 | 0 | 0 | 0.00 | 0 |
| FOREIGN CORP. : | 0 | 0 | 0 | 0.00 | 0 |
| OTHER | 0 | 0 | 0 | 0.00 | (9,022) |
| TOTAL | | | | | 719,121 |

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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

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| DOMESTIC | MAIN SUPPLIERS | IMPORT | MAIN SUPPLIERS | DOM. SUBS. | PRODUCTION COST (%) |
|---------------|----------------|--------|----------------|------------|---------------------|
| | | | | | |
| NOT AVAILABLE | | | | 0 | 0 |
| | | | | | |
| 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 | | | | 27,296,126 | | | |
| LONG DISTANCE SERVICE | | | | 18,871,662 | | | |
| INTERCONNECTION | | | | 8,932,726 | | | |
| OTHERS | | | | 2,316,327 | | | |
| TOTAL | | | | 57,416,841 | | | |

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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 | | | | 1,051,153 | | | |
| LOCAL SERVICE | | | | 52,462 | | | |
| LONG DISTANCE SERVICE | | | | 536,635 | | | |
| INTERCONNECTION | | | | 46,921 | | | |
| OTHERS | | | | 48,694 | | | |
| | | | | | | | |
| TOTAL | | | | 1,735,865 | | | |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 13

PROJECT INFORMATION

(Thousand Pesos)

Consolidated

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| ITEM | Thousand Mexican Pesos | | | | |
|------|------------------------|--------------------|---------------|-----------------|----------------|
| | 1st. Quarter 04 | 2nd. Quarter 04 | Total 2004 | % of Advance | Budget 2004 |
| | | | | | |

| | Jan-Mar | Apr-Jun | | | |
|------------------------------|------------------|------------------|------------------|-------------|-------------------|
| DATA AND CONNECTIVITY | 336,729 | 795,766 | 1,132,495 | 45.5 | 2,488,000 |
| INTERNAL PLANT | 549,441 | 871,539 | 1,420,980 | 33.0 | 4,312,125 |
| OUTSIDE PLANT | 596,408 | 1,054,857 | 1,651,265 | 32.1 | 5,145,681 |
| TRANSMISSION NETWORK SYSTEMS | 141,074 | 816,032 | 957,106 | 27.2 | 3,521,351 |
| OTHERS | 10,196 | 46,430 | 56,626 | 5.7 | 988,852 |
| | 149,178 | 323,376 | 472,554 | 15.2 | 3,099,409 |
| TOTAL INVESTMENT | 1,783,026 | 3,908,000 | 5,691,026 | 29.1 | 19,555,418 |

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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

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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

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| SERIES | NOMINAL VALUE | VALID CUPON | NUMBER OF SHARES | | | | CAPITAL STOCK (Thousand Pesos) | |
|--------|------------------|----------------|------------------|---------------------|---------------|------------------------|-----------------------------------|----------|
| | | | FIXED PORTION | VARIABLE PORTION | MEXICAN | PUBLIC SUBSCRIPTION | FIXED | VARIABLE |
| | | | | | | | | |
| A | 0.02500 | | 258,229,974 | 0 | | 258,229,974 | 6,456 | |
| AA | 0.02500 | | 4,063,417,276 | 0 | 4,063,417,276 | 0 | 101,585 | |
| L | 0.02500 | | 7,797,212,704 | 0 | | 7,797,212,704 | 194,930 | |
| TOTAL | 0.02500 | | 12,118,859,954 | 0 | 4,063,417,276 | 8,055,442,678 | 302,971 | 0 |

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

| | | | | | | | | |
|---------------------------|----------------|--|--|--|--|--|--|--|
| | 12,118,859,954 | | | | | | | |
| SHARES PROPORTION BY: | | | | | | | | |
| CPO'S : | | | | | | | | |
| T.VINC.: | | | | | | | | |
| ADRS's : | | | | | | | | |
| GDRS's : | | | | | | | | |
| ADS's : | | | | | | | | |
| GDS's : | | | | | | | | |
| REPURCHASE OF OWN SHARES | | | | | | | | |
| MARKET VALUE OF THE SHARE | | | | | | | | |

| | SERIES | NUMBER OF SHARES | AT REPURCHASE | AT QUARTER | | | |
|--|--------|------------------|---------------|------------|--|--|--|
| | A & L | 381,537,500 | 19.4818 | 19.4348 | | | |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

GENERAL INFORMATION

Consolidated

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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. CUAUHEMOC |
| CITY: | 06599 |
| | MEXICO, D.F. |

PAYMENT RESPONSIBLE

| | |
|------------|---|
| NAME: | C.P. EDUARDO ROSENDO GIRARD |
| ADDRESS: | PARQUE VIA 198 - 5 TH FLOOR OFFICE 501, COL. CUAUHEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 53 95 |
| FAX: | 52 50 80 54 |
| E-MAIL: | 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. CUAUHEMOC |
| 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. CUAUHEMOC |
| 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: | COMPTROLLER |
| NAME: | C.P. EDUARDO ROSENDO GIRARD |
| ADDRESS: | PARQUE VIA 198 - 5 TH . FLOOR OFFICE 501, COL. CUAUHEMOC |
| 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: | |

| | |
|---------|------------------------------------|
| E-MAIL: | 52 50 80 54 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. CUAUHEMOC |
| 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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TELÉFONOS DE MÉXICO, S.A. DE C.V.

BOARD OF DIRECTORS

Consolidated

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| POSITION | NAME |
|----------|------|
|----------|------|

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| | | | | | |
|------|-----------------------|-------|---------------|--------------|-----------|
| 1.- | CHAIRMAN OF THE BOARD | LIC. | CARLOS | SLIM | DOMIT |
| 2.- | BOARD PROPIETORS | ING. | CARLOS | SLIM | HELU |
| 3.- | BOARD PROPIETORS | SR. | EMILIO | AZCARRAGA | JEAN |
| 4.- | BOARD PROPIETORS | ING. | JAIME | CHICO | PARDO |
| 5.- | BOARD PROPIETORS | ING. | ANTONIO | COSIO | ARIÑO |
| 6.- | BOARD PROPIETORS | MTRA. | AMPARO | ESPINOSA | RUGARCIA |
| 7.- | BOARD PROPIETORS | ING. | ELMER | FRANCO | MACIAS |
| 8.- | BOARD PROPIETORS | LIC. | ANGEL | LOSADA | MORENO |
| 9.- | BOARD PROPIETORS | SR. | ROMULO | O FARRIL JR. | |
| 10.- | BOARD PROPIETORS | C.P. | JUAN ANTONIO | PEREZ | SIMON |
| 11.- | BOARD PROPIETORS | LIC. | FERNANDO | SENDEROS | MESTRE |
| 12.- | BOARD PROPIETORS | LIC. | MARCO ANTONIO | SLIM | DOMIT |
| 13.- | BOARD PROPIETORS | SR. | JAMES | W. | CALLAWAY |
| 14.- | BOARD PROPIETORS | SR. | RICHARD | P. | RESNICKS |
| 15.- | BOARD PROPIETORS | SR. | ROBERT | L. | HENRICHS |
| 16.- | BOARD PROPIETORS | C.P. | RAFAEL | KALACH | MIZRAHI |
| 17.- | BOARD PROPIETORS | LIC. | RICARDO | MARTIN | BRINGAS |
| 1.- | BOARD ALTERNATES | LIC. | PATRICK | SLIM | DOMIT |
| 2.- | BOARD ALTERNATES | LIC. | ARTURO | ELIAS | AYUB |
| 3.- | BOARD ALTERNATES | LIC. | JORGE C. | ESTEVE | RECOLONS |
| 4.- | BOARD ALTERNATES | C.P. | HUMBERTO | GUTIERREZ | OLVERA Z. |
| 5.- | BOARD ALTERNATES | ING. | ANTONIO | COSIO | PANDO |
| 6.- | BOARD ALTERNATES | SRA. | ANGELES | ESPINOSA | YGLESIAS |
| 7.- | BOARD ALTERNATES | ING. | AGUSTIN | FRANCO | MACIAS |
| 8.- | BOARD ALTERNATES | SR. | JAIME | ALVERDE | GOYA |
| 9.- | BOARD ALTERNATES | C.P. | ANTONIO | DEL VALLE | RUIZ |
| 10.- | BOARD ALTERNATES | LIC. | JOSE | KURI | HARFUSH |
| 11.- | BOARD ALTERNATES | LIC. | FERNANDO | SOLANA | MORALES |
| 12.- | BOARD ALTERNATES | LIC. | EDUARDO | VALDES | ACRA |
| 13.- | BOARD ALTERNATES | LIC. | CARLOS | BERNAL | VEREA |
| 14.- | BOARD ALTERNATES | LIC. | FEDERICO | LAFFAN | FANO |
| 15.- | BOARD ALTERNATES | SR. | JORGE A. | CHAPA | SALAZAR |

| | | | | | |
|------|------------------------------------|------|-----------|----------|---------|
| 16.- | BOARD ALTERNATES | ING. | BERNARDO | QUINTANA | ISAAC |
| 17.- | 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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TELÉFONOS DE MÉXICO, S.A. DE C.V.

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

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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, [JULY 15, 2004](#).
