

PROELITE, INC.
Form SC 13D
September 17, 2008

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. __)

Pro Elite, Inc.
(Name of Issuer)

Common Stock, par value \$0.0001 per share
(Title of Class of Securities)

74266D303
(CUSIP Number)

February 21, 2008
(Date of Event Which Requires Filing of this Statement)

Sumner M. Redstone
National Amusements, Inc.
846 University Avenue
Norwood, Massachusetts 02062
Telephone: (781) 461-1600

with a copy to:

Louis J. Briskman, Esq.
CBS Corporation
51 West 52nd Street
New York, New York 10019
Telephone: (212) 975-4321

(Name, Address and Telephone Number of Person Authorized to Receive Notices and
Communications)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

SCHEDULE 13D

CUSIP No. 74266D303

Page 2 of 28

- 1 NAME OF REPORTING PERSONS
Showtime Networks Inc.

- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
 - (b)

- 3 SEC USE ONLY

- 4 SOURCE OF FUNDS
OO

- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

- 7 SOLE VOTING POWER
0

- 8 SHARED VOTING POWER
12,766,668†

- 9 SOLE DISPOSITIVE POWER
0

- 10 SHARED DISPOSITIVE POWER
12,766,668†

- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
12,766,668†

- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
20.7%

14 TYPE OF REPORTING PERSON
CO

† Includes 500,000 shares of Common Stock that are expected to become vested on October 4, 2008 upon exhibition of certain programming pursuant to Warrant #5 (as defined in Item 3 below).

SCHEDULE 13D

CUSIP No. 74266D303

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- 1 NAME OF REPORTING PERSONS
CBS Operations Inc.
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS
OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware
- | | | |
|---|----|---|
| | 7 | SOLE VOTING POWER
0 |
| NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH | 8 | SHARED VOTING POWER
12,766,668† |
| | 9 | SOLE DISPOSITIVE POWER
0 |
| | 10 | SHARED DISPOSITIVE POWER
12,766,668† |
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SCHEDULE 13D

CUSIP No. 74266D303

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1 NAME OF REPORTING PERSONS

CBS Corporation

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) £

(b) £

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e) £

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8

SHARED VOTING POWER

12,766,668†

9

SOLE DISPOSITIVE POWER

0

10

SHARED DISPOSITIVE POWER

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12,766,668†

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CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES £

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20.7%

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CO

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SCHEDULE 13D

CUSIP No. 74266D303

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1 NAME OF REPORTING PERSONS
NAIRI, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) £
(b) £

3 SEC USE ONLY

4 SOURCE OF FUNDS
OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS
2(d) OR 2(e) £

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

7 SOLE VOTING POWER
0

8 NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
SHARED VOTING POWER
12,766,668†

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
12,766,668†

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
12,766,668†

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
SHARES £

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
20.7%

14 TYPE OF REPORTING PERSON
CO

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SCHEDULE 13D

CUSIP No. 74266D303

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1 NAME OF REPORTING PERSONS

National Amusements, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF
A GROUP(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL
PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Maryland

			EXCHANGE			
			LOSS	0	0	1,534,335 71
NUMBER OF	7	SOLE VOTING				
SHARES		POWER				
BENEFICIALLY		025				
OWNED BY	26	INTEREST INCOME	627,192	1,735	660,137	31
EACH	27	EXCHANGE GAIN	256,610	710	0	0
REPORTING	28	INCOME DUE TO	(745,638)	(2,062)	(365,706)	(17)
PERSON WITH		MONETARY				
		POSITION				
42		RESTATEMENT OF	0	0	0	0
		UDI'S LOSS				
43		RESTATEMENT OF	0	0	0	0
		UDI'S PROFIT				
8		OTHER FINANCIAL	0	100	0	100
		OPERATIONS				
29		OTHER INCOME	0	0	0	0
		AND EXPENSES,				
		NET				
30		LOSS (PROFIT) ON	0	0	0	0
		SALE OF OWN				

	SHARES				
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

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

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	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
C			

		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	CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD	19,324,323	3,625,351

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	QUARTER OF PREVIOUS
		FINANCIAL YEAR	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)
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	(-) DIVIDENDS 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

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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

Index

SIFIC/ICS

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

Index

SIFIC/ICS

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:

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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:

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

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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
Commercial, administrative and general	3,715	3,735	(0.5)	11,305	11,314	(0.1)
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						

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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)
Commercial, administrative and general	1,038	1,259	(17.6)	3,472	3,757	(7.6)
Interconnection to the local network	917	998	(8.1)	2,881	2,665	8.1
Cost of LADA special projects	478	524	(8.8)	1,507	1,397	7.9
Depreciation and 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

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 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 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 \$

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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

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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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 3

SHARE INVESTMENTS

Consolidated

Final printing

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

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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
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	Financial 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 (T1MSN)	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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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			
		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
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	

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/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	
/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	0
/10/2006	3.10	0	0	31,576	96,147	131,576	33,510	0	0	0	0	0	0
/10/2006	3.20	0	0	60,262	186,869	64,375	0	0	0	0	0	0	0
/08/2005	8.02	800,000	0	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	0
/05/2007	8.41	0	500,000	0	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	0
/12/2006	3.01	0	0	13,033	19,704	26,271	6,568	0	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	

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11/2008	4.50	0	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	0
02/2007	9.01	0	1,650,000	0	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	0
10/2007	9.11	0	3,250,000	0	0	0	0	0	0	0	0	0	0
		850,000	6,600,000	0	0	0	0	0	0	0	0	17,115,900	
RES AND OTHER CREDITS													
RES AND OTHER		36,067,218	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
		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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SIFIC/ICS

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

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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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ANNEX 10

RAW MATERIALS

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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

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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			
				3,497,893			

LONG DISTANCE SERVICE							
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

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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

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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		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								
		NUMBER OF	MARKET VALUE OF THE SHARE					
	SERIES	SHARES	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

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ISSUER GENERAL INFORMATION

COMPANY:	TELEFONOS DE MEXICO, S.A. DE C.V.
ADDRESS:	PARQUE VIA 198, COL. CUAUHEMOC
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:	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

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:	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:	

E-MAIL:	52 50 80 54 erosendo@telmex.com
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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
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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

BOARD OF DIRECTORS

Consolidated

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POSITION	NAME			
CHAIRMAN OF THE	LIC.	CARLOS	SLIM	DOMIT

BOARD				
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
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

MEXICAN STOCK EXCHANGE

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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.
