

TELEFONOS DE MEXICO S A DE C V
Form 6-K
February 04, 2004

TELÉFONOS DE MÉXICO, S.A. DE C.V.

STOCK EXCHANGE CODE: [TELMEX](#) QUARTER: 4 YEAR: 2003

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MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: **TELMEX** QUARTER: 4 YEAR: 2003

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-01

CONSOLIDATED BALANCE SHEETS

AT DECEMBER 31, 2003 & 2002

(Thousand Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|--------------------------------------------------------|--------------------|-----|---------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| 1 | TOTAL ASSETS | 185,761,991 | 100 | 175,509,732 | 100 |
| 2 | CURRENT ASSETS | 39,842,602 | 21 | 38,207,899 | 22 |
| 3 | CASH AND SHORT-TERM INVESTMENTS | 17,543,940 | 9 | 14,913,000 | 8 |
| 4 | ACCOUNTS RECEIVABLE, NET | 16,805,105 | 9 | 17,911,515 | 10 |
| 5 | OTHER ACCOUNTS RECEIVABLE, NET | 2,735,715 | 1 | 2,019,120 | 1 |
| 6 | INVENTORIES | 716,470 | 0 | 933,160 | 1 |
| 7 | OTHER CURRENT ASSETS | 2,041,372 | 1 | 2,431,104 | 1 |
| 8 | LONG - TERM | 833,381 | 0 | 944,148 | 1 |
| 9 | ACCOUNTS RECEIVABLE, NET | 0 | 0 | 0 | 0 |
| 10 | INVESTMENT IN SHARES OF SUBSIDIARIES AND AFFILIATES | 690,862 | 0 | 822,225 | 0 |

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| | NON-CONSOLIDATED | | | | |
|----|-----------------------------------------------|-------------|-----|-------------|-----|
| 11 | OTHER INVESTMENTS | 142,519 | 0 | 121,923 | 0 |
| 12 | PLANT, PROPERTY AND EQUIPMENT, NET | 120,661,992 | 65 | 127,021,833 | 72 |
| 13 | PROPERTY | 0 | 0 | 0 | 0 |
| 14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 300,040,549 | 162 | 277,569,441 | 158 |
| 15 | OTHER EQUIPMENTS | 0 | 0 | 0 | 0 |
| 16 | ACCUMULATED DEPRECIATION | 179,823,252 | 97 | 155,982,669 | 89 |
| 17 | CONSTRUCTIONS IN PROGRESS | 444,695 | 0 | 5,435,061 | 3 |
| 18 | DEFERRED ASSETS, NET | 668,768 | 0 | 810,223 | 0 |
| 19 | OTHER ASSETS | 23,755,248 | 13 | 8,525,629 | 5 |
| 20 | TOTAL LIABILITIES | 106,112,590 | 100 | 111,911,533 | 100 |
| 21 | CURRENT LIABILITIES | 37,242,232 | 35 | 33,153,220 | 30 |
| 22 | SUPPLIERS | 0 | 0 | 0 | 0 |
| 23 | BANK LOANS | 11,174,032 | 11 | 11,325,236 | 10 |
| 24 | STOCK MARKET LOANS | 9,087,969 | 9 | 174,526 | 0 |
| 25 | TAXES PAYABLE | 1,259,932 | 1 | 4,165,613 | 4 |
| 26 | OTHER CURRENT LIABILITIES | 15,720,299 | 15 | 17,487,845 | 16 |
| 27 | LONG - TERM LIABILITIES | 48,416,163 | 46 | 57,266,015 | 51 |
| 28 | BANK LOANS | 12,876,163 | 12 | 22,712,161 | 20 |
| 29 | STOCK MARKET LOANS | 35,540,000 | 33 | 34,553,854 | 31 |
| 30 | OTHER LOANS | 0 | 0 | 0 | 0 |
| 31 | DEFERRED CREDITS | 20,454,195 | 19 | 13,495,846 | 12 |
| 32 | OTHER LIABILITIES | 0 | 0 | 7,996,452 | 7 |
| 33 | CONSOLIDATED STOCKHOLDERS' EQUITY | 79,649,401 | 100 | 63,598,199 | 100 |
| 34 | MINORITY INTEREST | 0 | 0 | 0 | 0 |
| 35 | MAJORITY INTEREST | 79,649,401 | 100 | 63,598,199 | 100 |
| 36 | CONTRIBUTED CAPITAL | 39,102,140 | 49 | 40,202,981 | 63 |
| 37 | CAPITAL STOCK (NOMINAL) | 302,730 | 0 | 319,428 | 1 |
| 38 | RESTATEMENT OF CAPITAL STOCK | 27,388,115 | 34 | 28,472,267 | 45 |
| 39 | PREMIUM ON SALES OF SHARES | 11,411,295 | 14 | 11,411,286 | 18 |
| 40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 | 0 | 0 |
| 41 | CAPITAL INCREASE (DECREASE) | 40,547,261 | 51 | 23,395,218 | 37 |

| | | | | | |
|----|-------------------------------------------------------------|--------------|------|--------------|-------|
| 42 | RETAINED EARNINGS AND CAPITAL RESERVE | 79,030,972 | 99 | 77,350,800 | 122 |
| 43 | RESERVE FOR REPURCHASE OF OWN SHARES | 0 | 0 | 0 | 0 |
| 44 | EXCESS (SHORTFALL) FROM RESTATEMENT OF STOCKHOLDERS' EQUITY | (60,933,474) | (77) | (74,302,300) | (117) |
| 45 | NET INCOME | 22,449,763 | 28 | 20,346,718 | 32 |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: [TELMEX](#) QUARTER: 4 YEAR: 2003

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-02

CONSOLIDATED BALANCE SHEETS

- BREAKDOWN OF MAIN CONCEPTS -

(Thousand Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|------------------------|--------------------------------------|----------------------------------|---------------------------------------|-----|
| | | Amount | % | Amount | % |
| | | 3 | CASH AND SHORT- TERM INVESTMENTS | 17,543,940 | 100 |
| 46 | CASH | 1,088,135 | 6 | 1,089,563 | 7 |
| 47 | SHORT-TERM INVESTMENTS | 16,455,805 | 94 | 13,823,437 | 93 |
| 18 | DEFERRED ASSETS, NET | 668,768 | 100 | 810,223 | 100 |
| 48 | | 586,933 | 88 | 628,232 | 78 |

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| | AMORTIZED OR REDEEMED EXPENSES | | | | |
|----|----------------------------------------|------------|-----|------------|-----|
| 49 | GOODWILL | 81,835 | 12 | 181,991 | 22 |
| 50 | DEFERRED TAXES | 0 | 0 | 0 | 0 |
| 51 | OTHERS | 0 | 0 | 0 | 0 |
| | | | | | |
| 21 | CURRENT LIABILITIES | 37,242,232 | 100 | 33,153,220 | 100 |
| 52 | FOREIGN CURRENCY LIABILITIES | 18,961,421 | 51 | 11,321,216 | 34 |
| 53 | MEXICAN PESOS LIABILITIES | 18,280,811 | 49 | 21,832,004 | 66 |
| | | | | | |
| 24 | STOCK MARKET SHORT-TERM SECURITIES | 9,087,969 | 0 | 174,526 | 100 |
| 54 | COMMERCIAL PAPER | 0 | 0 | 174,526 | 100 |
| 55 | MEDIUM-TERM NOTES | 0 | 0 | 0 | 0 |
| 56 | CURRENT MATURITIES OF SECURITIES | 9,087,969 | 0 | 0 | 0 |
| | | | | | |
| 26 | OTHER CURRENT LIABILITIES | 15,720,299 | 100 | 17,487,845 | 100 |
| 57 | OTHER CURRENT LIABILITIES WITH COST | 0 | 0 | 0 | 0 |
| 58 | OTHER CURRENT LIABILITIES WITHOUT COST | 15,720,299 | 100 | 17,487,845 | 100 |
| | | | | | |
| 27 | LONG - TERM LIABILITIES | 48,416,163 | 100 | 57,266,015 | 100 |
| 59 | FOREIGN CURRENCY LIABILITIES | 40,966,163 | 85 | 48,167,162 | 84 |
| 60 | MEXICAN PESOS LIABILITIES | 7,450,000 | 15 | 9,098,853 | 16 |
| | | | | | |
| 29 | STOCK MARKET LONG-TERM SECURITIES | 35,540,000 | 100 | 34,553,854 | 100 |
| 61 | BONDS | 35,540,000 | 100 | 34,553,854 | 100 |
| 62 | MEDIUM-TERM NOTES | 0 | 0 | 0 | 0 |
| | | | | | |
| 30 | OTHER LOANS | 0 | 0 | 0 | 0 |
| 63 | OTHER LOANS WITH COST | 0 | 0 | 0 | 0 |
| 64 | OTHER LOANS WITHOUT COST | 0 | 0 | 0 | 0 |
| | | | | | |
| 31 | DEFERRED CREDITS | 20,454,195 | 100 | 13,495,846 | 100 |
| 65 | GOODWILL | 0 | 0 | 0 | 0 |
| 66 | DEFERRED TAXES | 20,454,195 | 100 | 13,495,846 | 100 |
| 67 | OTHERS | 0 | 0 | 0 | 0 |

| | | | | | |
|----|--------------------------------------------------------------------|--------------|-----|--------------|-----|
| | | | | | |
| 32 | OTHER LIABILITIES | 0 | 0 | 7,996,452 | 100 |
| 68 | RESERVES | 0 | 0 | 7,996,452 | 100 |
| 69 | OTHERS LIABILITIES | 0 | 0 | 0 | 0 |
| | | | | | |
| 44 | EXCESS (SHORTFALL) FROM RESTATEMENTS OF STOCKHOLDERS' EQUITY | (60,933,474) | 100 | (74,302,300) | 100 |
| 70 | ACCUMULATED MONETARY POSITION INCOME | (12,921,106) | 21 | (12,921,105) | 17 |
| 71 | RESULT FROM HOLDING NON-MONETARY ASSETS | (48,012,368) | 79 | (61,381,195) | 83 |

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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 | 2,600,370 | 5,054,679 |
| 73 | PENSIONS FUND AND SENIORITY PREMIUMS | 0 | 7,996,452 |

| | | | |
|-----|----------------------------------------------|----------------|----------------|
| 74 | EXECUTIVES (*) | 133 | 139 |
| 75 | EMPLOYEES (*) | 11,337 | 11,659 |
| 76 | WORKERS (*) | 50,633 | 51,977 |
| 77 | OUTSTANDING SHARES (*) | 12,109,205,252 | 12,777,101,725 |
| 78 | REPURCHASE OF OWN SHARES (*) | 670,153,231 | 387,745,943 |
| | | | |
| | | | |
| | | | |
| (*) | THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS. | | |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-04

CONSOLIDATED STATEMENTS OF INCOME

- FROM JANUARY 01 TO DECEMBER 31, 2003 & 2002 -

(Thousand Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|----------------------------|-----------------------|-----|------------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| 1 | OPERATING REVENUES | 116,847,959 | 100 | 117,240,676 | 100 |
| 2 | COST OF SALES AND SERVICES | 60,063,108 | 51 | 58,873,313 | 50 |
| 3 | GROSS INCOME | 56,784,851 | 49 | 58,367,363 | 50 |
| 4 | OPERATING COSTS | 17,246,360 | 15 | 17,205,924 | 15 |
| 5 | OPERATING INCOME | 39,538,491 | 34 | 41,161,439 | 35 |

| | | | | | |
|----|-------------------------------------------------------|------------|----|------------|----|
| 6 | COMPREHENSIVE FINANCING COST | 4,069,968 | 3 | 6,694,670 | 6 |
| 7 | INCOME AFTER COMPREHENSIVE FINANCING COST | 35,468,523 | 30 | 34,466,769 | 29 |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 0 | 0 | 0 |
| 9 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 35,468,523 | 30 | 34,466,769 | 29 |
| 10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 12,840,068 | 11 | 13,858,332 | 12 |
| 11 | INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 22,628,455 | 19 | 20,608,437 | 18 |
| 12 | EQUITY IN RESULTS OF SUBSIDIARIES AND AFFILIATES | (178,692) | 0 | (261,719) | 0 |
| 13 | INCOME FROM CONTINUOUS OPERATIONS | 22,449,763 | 19 | 20,346,718 | 17 |
| 14 | INCOME FROM DISCONTINUOUS OPERATIONS, NET | 0 | 0 | 0 | 0 |
| 15 | NET INCOME BEFORE EXTRAORDINARY ITEMS | 22,449,763 | 19 | 20,346,718 | 17 |
| 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 | 22,449,763 | 19 | 20,346,718 | 17 |
| 19 | MINORITY INTEREST | 0 | 0 | 0 | 0 |
| 20 | MAJORITY INTEREST | 22,449,763 | 19 | 20,346,718 | 17 |
| | | | | | |

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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 | 116,847,959 | 100 | 117,240,676 | 100 |
| 21 | DOMESTIC | 114,523,397 | 98 | 114,608,130 | 98 |
| 22 | FOREIGN | 2,324,562 | 2 | 2,632,546 | 2 |
| 23 | TRANSLATION INTO DOLLARS (***) | 210,632 | 0 | 255,763 | 0 |
| | | | | | |
| 6 | COMPREHENSIVE FINANCING COST | 4,069,968 | 100 | 6,694,670 | 100 |
| 24 | INTEREST EXPENSE | 5,578,730 | 137 | 6,286,166 | 94 |
| 25 | EXCHANGE LOSS | 3,132,968 | 77 | 4,621,494 | 69 |
| 26 | INTEREST INCOME | 2,989,762 | 73 | 1,306,651 | 20 |
| 27 | EXCHANGE GAIN | 0 | 0 | 0 | 0 |
| 28 | INCOME DUE TO MONETARY POSITION | (1,651,968) | (41) | (2,906,339) | (43) |
| 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 | 0 | 0 | 0 |
| 29 | OTHER INCOME AND EXPENSES, NET | 0 | 0 | 0 | 0 |
| 30 | LOSS (PROFIT) ON SALE OF OWN SHARES | 0 | 0 | 0 | 0 |
| 31 | LOSS (PROFIT) ON SALE OF SHORT-TERM INVESTMENTS | 0 | 0 | 0 | 0 |
| | | | | | |
| 10 | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 12,840,068 | 100 | 13,858,332 | 100 |
| 32 | INCOME TAX | 9,643,360 | 75 | 11,062,011 | 80 |
| 33 | DEFERRED INCOME TAX | 611,511 | 5 | (325,441) | (2) |
| 34 | EMPLOYEE PROFIT SHARING | 2,585,197 | 20 | 3,121,762 | 23 |
| 35 | DEFERRED EMPLOYEE PROFIT SHARING | 0 | 0 | 0 | 0 |
| | | | | | |
| | | | | | |

| | | | | | |
|-------|------------------|--|--|--|--|
| (***) | THOUSAND DOLLARS | | | | |
|-------|------------------|--|--|--|--|

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-06

CONSOLIDATED STATEMENTS OF INCOME

- OTHER CONCEPTS -

(Thousand Pesos)

Final printing

| REF R | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|-----------------------------------------|--------------------------------------|------------------------------------------|
| | | Amount | Amount |
| 36 | TOTAL REVENUES | 116,847,958 | 117,240,675 |
| 37 | NET INCOME | 0 | 0 |
| 38 | OPERATING REVENUES (**) | 116,847,959 | 117,240,676 |
| 39 | OPERATING INCOME (**) | 39,538,491 | 41,161,439 |
| 40 | NET INCOME OF MAJORITY INTEREST (**) | 22,449,763 | 20,346,718 |
| 41 | NET INCOME (**) | 22,449,763 | 20,346,718 |
| | | | |
| | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | |

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STOCK EXCHANGE CODE: **TELMEX** QUARTER: 4 YEAR: 2003

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-07

CONSOLIDATED STATEMENTS OF INCOME

- FROM OCTOBER 01 TO DECEMBER 31, 2003 & 2002 -

(Thousand Pesos)

Final printing

| REF RT | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|-----------|----------------------------------------------------------|--------------------------------------|--------------------|---------------------------------------|-----|
| | | Amount | % | Amount | % |
| | | 1 | OPERATING REVENUES | 30,182,760 | 100 |
| 2 | COST OF SALES AND SERVICES | 15,425,912 | 51 | 14,537,662 | 48 |
| 3 | GROSS INCOME | 14,756,848 | 49 | 16,003,041 | 52 |
| 4 | OPERATING COST | 4,233,820 | 14 | 4,812,213 | 16 |
| 5 | OPERATING INCOME | 10,523,028 | 35 | 11,190,828 | 37 |
| 6 | COMPREHENSIVE FINANCING COST | 1,225,830 | 4 | 833,679 | 3 |
| 7 | INCOME AFTER COMPREHENSIVE FINANCING COST | 9,297,198 | 31 | 10,357,149 | 34 |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 0 | 0 | 0 |
| 9 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 9,297,198 | 31 | 10,357,149 | 34 |
| 10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 3,673,663 | 12 | 4,753,238 | 16 |
| 11 | INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 5,623,535 | 19 | 5,603,911 | 18 |
| 12 | EQUITY IN RESULTS OF SUBSIDIARIES AND AFFILIATES | (38,905) | (0) | (109,716) | (0) |
| 13 | INCOME FROM CONTINUOUS OPERATIONS | 5,584,630 | 19 | 5,494,195 | 18 |
| 14 | INCOME FROM DISCONTINUOUS OPERATIONS, NET | 0 | 0 | 0 | 0 |

| | | | | | |
|----|----------------------------------------------------|-----------|----|-----------|----|
| 15 | NET INCOME BEFORE EXTRAORDINARY ITEMS | 5,584,630 | 19 | 5,494,195 | 18 |
| 16 | EXTRAORDINARY ITEMS NET EXPENDITURES (REVENUES) | 0 | 0 | 0 | 0 |
| 17 | NET EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES | 0 | 0 | 0 | 0 |
| 18 | NET INCOME | 5,584,630 | 19 | 5,494,195 | 18 |
| 19 | MINORITY INTEREST | 0 | 0 | 0 | 0 |
| 20 | MAJORITY INTEREST | 5,584,630 | 19 | 5,494,195 | 18 |
| | | | | | |

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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 | 30,182,760 | 100 | 30,540,703 | 100 |
| 21 | DOMESTIC | 29,237,205 | 97 | 30,224,048 | 99 |
| 22 | FOREIGN | 945,555 | 3 | 316,655 | 1 |
| 23 | TRANSLATION INTO DOLLARS (***) | 83,230 | 0 | 29,658 | 0 |
| | | | | | |
| | | | | | |

| | | | | | |
|-------|------------------------------------------------------|-----------|------|-----------|------|
| 6 | COMPREHENSIVE FINANCING COST | 1,225,830 | 100 | 833,679 | 100 |
| 24 | INTEREST EXPENSE | 1,188,607 | 97 | 1,364,045 | 164 |
| 25 | EXCHANGE LOSS | 965,630 | 79 | 654,339 | 78 |
| 26 | INTEREST INCOME | 357,838 | 29 | 477,249 | 57 |
| 27 | EXCHANGE GAIN | 0 | 0 | 0 | 0 |
| 28 | INCOME DUE TO MONETARY POSITION | (570,569) | (47) | (707,456) | (85) |
| 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 | 0 | 0 | 0 |
| 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 | 3,673,663 | 100 | 4,753,238 | 100 |
| 32 | INCOME TAX | 1,914,511 | 52 | 2,611,472 | 55 |
| 33 | DEFERRED INCOME TAX | 961,956 | 26 | 1,361,647 | 29 |
| 34 | EMPLOYEE PROFIT SHARING | 797,196 | 22 | 780,119 | 16 |
| 35 | DEFERRED EMPLOYEE PROFIT SHARING | 0 | 0 | 0 | 0 |
| | | | | | |
| | | | | | |
| (***) | THOUSANDS OF DOLLARS | | | | |

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STOCK EXCHANGE CODE: [TELMEX](#) QUARTER: 4 YEAR: 2003

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-09

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

- FROM JANUARY 01 TO DECEMBER 31, 2003 & 2002 -

(Thousand Pesos)

Final printing

| REF C | CONCEPTS | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|----------|---------------------------------------------------------------|-----------------------|------------------------|
| | | FINANCIAL YEAR | FINANCIAL YEAR |
| | | Amount | Amount |
| 1 | NET INCOME | 22,449,763 | 20,346,718 |
| 2 | ADD (DEDUCT) ITEMS NOT REQUIRING THE USE OF RESOURCES | 21,483,641 | 20,399,001 |
| 3 | CASH FLOW FROM NET INCOME FOR THE YEAR | 43,933,404 | 40,745,719 |
| 4 | CASH FLOW FROM CHANGES IN WORKING CAPITAL | (12,029,928) | (2,969,171) |
| 5 | RESOURCES PROVIDED BY OPERATING ACTIVITIES | 31,903,476 | 37,776,548 |
| 6 | CASH FLOW FROM OUTSIDE FINANCING | (87,616) | (7,885,128) |
| 7 | CASH FLOW FROM OWN FINANCING | (19,055,826) | (13,949,460) |
| 8 | RESOURCES PROVIDED BY FINANCING ACTIVITIES | (19,143,442) | (21,834,588) |
| 9 | RESOURCES PROVIDED BY INVESTMENT ACTIVITIES | (10,129,094) | (11,486,559) |
| 10 | NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS | 2,630,940 | 4,455,401 |
| 11 | CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD | 14,913,000 | 10,457,599 |
| 12 | CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD | 17,543,940 | 14,913,000 |
| | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

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 | 21,483,641 | 20,399,001 |
| 13 | DEPRECIATION AND AMORTIZATION FOR THE YEAR | 20,693,439 | 20,346,493 |
| 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 | 790,202 | 52,508 |
| | | | |
| 4 | CASH FLOW FROM CHANGES IN WORKING CAPITAL | (12,029,928) | (2,969,171) |
| 18 | +(-) DECREASE (INCREASE) IN ACCOUNT RECEIVABLE | 1,106,410 | 740,694 |
| 19 | +(-) DECREASE (INCREASE) IN INVENTORIES | 216,690 | 24,783 |
| 20 | +(-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLE AND OTHER ASSETS | (378,084) | 711,844 |
| 21 | | 0 | 0 |

| | | | |
|----|-------------------------------------------------------------------|--------------|--------------|
| | +(-) INCREASE (DECREASE) IN SUPPLIERS ACCOUNT | | |
| 22 | +(-) INCREASE (DECREASE) IN OTHER LIABILITIES | (12,974,944) | (4,446,492) |
| | | | |
| 6 | CASH FLOW FROM OUTSIDE FINANCING | (87,616) | (7,885,128) |
| 23 | + SHORT-TERM BANK FINANCING AND DEBT SECURITIES | 35,460,990 | 16,693,576 |
| 24 | + LONG-TERM BANK FINANCING AND DEBT SECURITIES | 0 | 175,318 |
| 25 | + DIVIDEND RECEIVED | 0 | 0 |
| 26 | + OTHER FINANCING | 1,862,227 | 3,109,473 |
| 27 | (-) BANK FINANCING AMORTIZATION | (36,393,108) | (26,717,344) |
| 28 | (-) DEBT SECURITIES AMORTIZATION | (1,017,725) | (1,146,151) |
| 29 | (-) OTHER FINANCING AMORTIZATION | 0 | 0 |
| | | | |
| 7 | CASH FLOW FROM OWN FINANCING | (19,055,826) | (13,949,460) |
| 30 | +(-) INCREASE (DECREASE) IN CAPITAL STOCK | (1,100,850) | (630,046) |
| 31 | (-) DIVIDENDS PAID | (7,622,589) | (7,497,895) |
| 32 | + PREMIUM ON SALE OF SHARES | 0 | 0 |
| 33 | + CONTRIBUTION FOR FUTURE CAPITAL INCREASES | (10,332,387) | (5,821,519) |
| | | | |
| 9 | RESOURCES PROVIDED BY INVESTMENT ACTIVITIES | (10,129,094) | (11,486,559) |
| 34 | +(-) DECREASE (INCREASE) IN STOCK INVESTMENTS OF PERMANENT NATURE | (37,742) | (82,196) |
| 35 | (-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT | (11,062,507) | (11,860,342) |
| 36 | (-) INCREASE IN CONSTRUCTIONS IN PROCESS | 0 | 0 |
| 37 | + SALE OF OTHER PERMANENT INVESTMENTS | 0 | 0 |
| 38 | + SALE OF TANGIBLE FIXED ASSETS | 0 | 0 |
| 39 | +(-) OTHER ITEMS | 971,155 | 455,979 |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: **TELMEX** QUARTER: **4** YEAR: **2003**

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-11

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 | 19.21 | % | 17.35 | % |
| 2 | NET INCOME TO STOCKHOLDERS' EQUITY (**) | 28.19 | % | 31.99 | % |
| 3 | NET INCOME TO TOTAL ASSETS (**) | 12.09 | % | 11.59 | % |
| 4 | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME | 37.46 | % | 29.04 | % |
| 5 | INCOME DUE TO MONETARY POSITION TO NET INCOME | 7.36 | % | 14.28 | % |
| | ACTIVITY | | | | |
| 6 | OPERATING REVENUES TO TOTAL ASSETS (**) | 0.63 | times | 0.67 | times |
| 7 | OPERATING REVENUES TO FIXED ASSETS (**) | 0.97 | times | 0.92 | times |
| 8 | INVENTORIES ROTATION (**) | 83.83 | times | 63.09 | times |
| 9 | ACCOUNTS RECEIVABLE IN DAYS OF SALES | 45 | days | 48 | days |
| 10 | | 8.12 | % | 9.14 | % |

| | | | | | |
|------|---------------------------------------------------------------------------------------------|---------|-------|--------|-------|
| | INTEREST PAID TO TOTAL LIABILITIES WITH COST (**) | | | | |
| | LEVERAGE | | | | |
| 11 | TOTAL LIABILITIES TO TOTAL ASSETS | 57.12 | % | 63.76 | % |
| 12 | TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY | 1.33 | times | 1.76 | times |
| 13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 56.48 | % | 53.16 | % |
| 14 | LONG-TERM LIABILITIES TO FIXED ASSETS | 40.13 | % | 45.08 | % |
| 15 | OPERATING INCOME TO INTEREST EXPENSE | 7.09 | times | 6.55 | times |
| 16 | OPERATING REVENUES TO TOTAL LIABILITIES (**) | 1.10 | times | 1.05 | times |
| | LIQUIDITY | | | | |
| 17 | CURRENT ASSETS TO CURRENT LIABILITIES | 1.07 | times | 1.15 | times |
| 18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 1.05 | times | 1.12 | times |
| 19 | CURRENT ASSETS TO TOTAL LIABILITIES | 0.38 | times | 0.34 | times |
| 20 | AVAILABLE ASSETS TO CURRENT LIABILITIES | 47.11 | % | 44.98 | % |
| | STATEMENT OF CHANGES IN FINANCIAL POSITION | | | | |
| 21 | CASH FLOW FROM NET INCOME TO OPERATING REVENUES | 37.60 | % | 34.75 | % |
| 22 | CASH FLOW FROM CHANGES IN WORKING CAPITAL TO OPERATING REVENUES | (10.30) | % | (2.53) | % |
| 23 | RESOURCES PROVIDED BY OPERATING ACTIVITIES TO INTEREST EXPENSES | 5.72 | times | 6.01 | times |
| 24 | OUTSIDE FINANCING TO RESOURCES PROVIDED BY FINANCING ACTIVITIES | 0.46 | % | 36.11 | % |
| 25 | OWN FINANCING TO RESOURCES PROVIDED BY FINANCING ACTIVITIES | 99.54 | % | 63.89 | % |
| 26 | ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT TO RESOURCES PROVIDED BY INVESTMENT ACTIVITIES | 109.22 | % | 103.25 | % |
| | | | | | |
| (**) | | | | | |

| | | | | |
|---------------------------------------|--|--|--|--|
| INFORMATION OF THE PAST TWELVE MONTHS | | | | |
|---------------------------------------|--|--|--|--|

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

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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 (**) | 1.81 | \$ | 1.59 | \$ |
| 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 (**) | 1.81 | \$ | 1.59 | \$ |
| 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 | 6.58 | \$ | 4.98 | \$ |
| 9 | ACUMULATED CASH DIVIDEND PER SHARE | 0.63 | \$ | 0.59 | \$ |
| 10 | SHARE DIVIDENDS PER SHARE | 0.00 | shares | 0.00 | shares |
| 11 | MARKET PRICE TO CARRYING VALUE | 2.71 | times | 3.30 | times |
| 12 | MARKET PRICE TO BASIC INCOME PER ORDINARY SHARE (**) | 9.84 | times | 10.34 | times |
| 13 | MARKET PRICE TO BASIC INCOME PER PREFERENT SHARE (**) | 0.00 | times | 0.00 | times |
| | | | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | | | |

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STOCK EXCHANGE CODE: [TELMEX](#) QUARTER: 4 YEAR: 2003

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 1

CHIEF EXECUTIVE OFFICER REPORT

Consolidated

Final printing

Results

Operating

- Total lines in service, line equivalents and Internet access accounts increased 10.2% compared with the previous year
- Lines in service increased 8.6% compared with 2002
- In the data transmission business, line equivalents in operation increased 13.4%
- Internet access accounts increased 24.6% in 2003
- Local traffic increased 3.2% during the year
- DLD traffic had an annual increase of 7.2%
- ILD traffic decreased 8.3% in 2003

Financial

- Operating revenues totaled 116,848 million pesos, 0.3% lower than in 2002
- Operating margin was 33.8% and the EBITDA margin was 51.6%
- Net income rose to 22,450 million pesos for the full year, 10.3% higher than last year
- Earnings per share were 0.46 pesos and 0.82 dollars per ADR in the quarter and 1.85 pesos per share and 3.30 dollars per ADR for the full year
- Total debt in dollars decreased 4.7% compared with 2002

- Debt-to-capitalization ratio was 46.3% at year-end 2003

Operating results

Expansion of the telecommunications infrastructure

The investments that TELMEX carried out in 2003 totaled 995.7 million dollars and increased its installed capacity in an important manner, that is the case of installed lines that at the end of the year they reached 17 million 202 thousand lines. The installed Internet access services totaled 2 million 54 thousand services.

Local

At year-end 2003, TELMEX had 15,683,264 fixed lines in service, an annual increase of 8.6% with a net addition of 327,478 lines in the fourth quarter. This gain was 13.6% higher than the fourth quarter of 2002. During the year, 1,236,828 lines were added, 15.1% more than in 2002. Of total lines in service, 639,190 belong to Multifon Hogar, and this amount was three times higher than in 2002.

In the fourth quarter, penetration of digital services was 35.0%, 4.8 percentage points higher than the same quarter of 2002. Total lines with at least one digital service were 5,488,497.

Free voice mail was launched in the first quarter of 2003 and at year-end, there were 5,355,128 free voice mails in operation.

During the quarter, 6,668 million local calls were made, 2.8% higher than the same quarter of last year. For the full year, total call traffic increased 3.2%, totaling 26,494 million calls.

Interconnection traffic totaled 6,568 million minutes during the quarter, 12.8% more than the fourth quarter of 2002. For the full year, interconnection traffic totaled 25,790 million minutes, 19.1% higher than in 2002.

Long distance

In the fourth quarter, domestic long distance traffic totaled 3,763 million minutes, 0.9% higher than the same period of 2002. For the full year, domestic long distance minutes rose to 15,376 million, an annual increase of 7.2%.

International long distance traffic surged in the fourth quarter by totaling 1,406 million minutes an increase of 54.1% compared with the same period of the previous year. For the full year, international long distance minutes totaled 4,513 million, 8.3% lower than in 2002.

Data

In 2003, TELMEX had 1,452,338 Internet access accounts, an annual increase of 24.6%. The gain in accounts during the fourth quarter was 79,823. During the year, 286,937 Internet access accounts were added, an increase of 13.7% compared with 2002.

In the fourth quarter, 27,637 users were added to broadband service ADSL (Prodigy Infinitum), reaching 179,293 services at year-end 2003, 169.3% more than in 2002. Prodigy Infinitum accounts represented 12.4% of total accounts in service.

At December 31, 2003 Internet service penetration including broadband services, in respect to total lines in service was 9.3%, 1.2 percentage points more than the same period of the previous year.

In the corporate market of data transmission, TELMEX operated 2,291,111 line equivalents at the end of the fourth quarter; an increase of 13.4% compared with the same period of 2002. In the fourth quarter, the gain of line equivalents for data transmission rose to 113,582. The annual gain was of 270,319 line equivalents.

Consolidated Financial Results

Revenues

In the fourth quarter, total revenues were 30,183 million pesos, a decrease of 1.2%, compared with the same period of the previous year. For the full year, revenues totaled 116,848 million pesos, a decrease in real terms of 0.3% compared with 2002.

- **Local**
: revenues decreased 4.0% in the fourth quarter and 2.5% for the full year.
- **DLD**
: these revenues decreased 1.7% in the fourth quarter. For the full year, these revenues increased 1.5%.
- **ILD**
: revenues increased 18.2% compared with the fourth quarter of 2002 and for the full year, they decreased 8.2%. The increase in the fourth quarter was due to more incoming traffic.
- **Data**
: revenues related to Internet services, rent and installation of line equivalents and value-added services related to data transmission increased 4.7% in the fourth quarter compared with the same period of 2002 and 5.4% for the full year. These revenues were approximately 3,654 million pesos in the fourth quarter and 13,646 million pesos in 2003.
- **Interconnection**
: revenues increased 2.5% compared with the fourth quarter of 2002 and 8.6% for the full year. This growth was the result of lower growth in Calling Party Pays traffic and the one originated by long distance operators.
- **Others**

: these revenues are mainly comprised by advertising sales of yellow pages as well as for sales in Tiendas TELMEX (TELMEX Stores) that decreased 7.1% in the fourth quarter and 1.3% in 2003.

Costs and Expenses

Cash costs and expenses totaled 14,181 million pesos in the fourth quarter, a decrease of 3.7% compared with the same period of the previous year. For the full year, total cash costs and expenses rose to 56,615 million pesos, 1.6% more than the same period of 2002.

- **Cost of sales and services:** increased 1.3% in the fourth quarter and 1.8% for the full year. Both increases were due to higher pensions and seniority premiums, the increase in electricity rates and higher costs for telephone

sets and PC's.

- Commercial, administrative and general expenses: decreased 12% in the fourth quarter due to the control on uncollectables and advertising expenses. For the full year, these expenses remained flat.
- Interconnection: decreased 1.9% compared with last year's fourth quarter and increased 3.0% for the full year.
- Depreciation and Amortization: presented an adjustment of 18.6% in the fourth quarter that was mainly due to the variation of the exchange rate. For the full year, the increase was of 1.7%.

EBITDA and Operating Income

In the fourth quarter, EBITDA totaled 16,002 million pesos, 1.2% higher than the same period of 2002 and for the full year, EBITDA totaled 60,233 million pesos, 2.1% lower than the previous year. Operating income in the fourth quarter totaled 10,523 million pesos, 6.0% lower than the same period of the previous year and for the full year, operating income decreased 3.9% totaling 39,539 million pesos.

Comprehensive Financing Cost

Comprehensive financing cost was 1,226 million pesos during the fourth quarter due to an exchange loss of 970 million pesos resulting from the depreciation of the peso versus the US dollar of 2.8% during the quarter. Net Interest showed a charge of 829 million pesos and a gain of 573 million pesos was generated in the monetary position. Comprehensive financing cost for the full year totaled 4,070 million pesos, 39.2% lower than in 2002.

Net Income

Net income in the fourth quarter totaled 5,585 million pesos, 1.7% higher than the same period of 2002. For the full year, net income rose to 22,450 million pesos, an increase of 10.3% compared with 2002.

Repurchase of Shares

From October 1st to December 31st, TELMEX repurchased 181,245,600 of its own shares representing 1.5% of outstanding shares at September 30. TELMEX's earnings per share for the fourth quarter, based on the number of shares outstanding at period end, were 0.46 pesos and 1.85 pesos for the full year.

Debt

At December 31, 2003 total debt, short-term and long-term equaled 6.112 billion dollars a decrease of 4.7% from 6.413 billion dollars in December 2002. Without considering hedges, 87.3% of total debt was foreign-denominated and at the end of December, currency hedges covered 585 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% and 1.1 billion dollars with a fixed rate of 2.4%, with average maturities of 6 years for swaps denominated in pesos and 5 years for swaps denominated in dollars. After the interest rate swaps, fixed rate debt represents 93.1% of total debt.

Local Service Business

| Income statements | 4Q2003 | 4Q2002 | % Increase | 12 months 2003 | 12 months 2002 | % Increase |
|-------------------------------------------------|--------|--------|------------|-------------------|-------------------|------------|
| (Millions of Mexican pesos as of December 2003) | | | | | | |

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| | | | | | | |
|----------------------------------------|----------|----------|-------|----------|----------|-------|
| Operating revenues | | | | | | |
| Access, rent and measured service | \$13,297 | \$13,761 | (3.4) | \$53,722 | \$55,080 | (2.5) |
| Recovery of LADA special projects | 505 | 460 | 9.8 | 1,816 | 1,801 | 0.8 |
| L A D A interconnection | 968 | 878 | 10.3 | 3,492 | 3,496 | (0.1) |
| Interconnection with operators | 312 | 244 | 27.9 | 1,064 | 877 | 21.3 |
| Interconnection with cellular | 4,063 | 4,024 | 1.0 | 16,501 | 15,302 | 7.8 |
| Other | 2,297 | 2,428 | (5.4) | 8,646 | 8,483 | 1.9 |
| Total | 21,442 | 21,795 | (1.6) | 85,241 | 85,039 | 0.2 |
| | | | | | | |
| Operating costs and expenses | | | | | | |
| Cost of sales and services | 4,836 | 5,075 | (4.7) | 18,737 | 18,631 | 0.6 |
| Commercial, administrative and general | 3,307 | 3,347 | (1.2) | 14,254 | 14,251 | 0.0 |
| Interconnection | 3,041 | 3,102 | (2.0) | 12,273 | 11,913 | 3.0 |
| Depreciation and amortization | 3,806 | 3,202 | 18.9 | 14,067 | 13,797 | 2.0 |
| Total | 14,990 | 14,726 | 1.8 | 59,331 | 58,592 | 1.3 |
| | | | | | | |
| Operating income | \$6,452 | \$7,069 | (8.7) | \$25,910 | \$26,447 | (2.0) |

| | | | | | | |
|----------------------|----------|----------|-------|----------|----------|-------|
| | | | | | | |
| EBITDA | \$10,258 | \$10,271 | (0.1) | \$39,977 | \$40,244 | (0.7) |
| EBITDA Margin (%) | 47.8 | 47.1 | 0.7 | 46.9 | 47.3 | (0.4) |
| Operating Margin (%) | 30.1 | 32.4 | (2.3) | 30.4 | 31.1 | (0.7) |

Comments on local financial results

The local service income statement, prepared in accordance with accounting separation principles, shows that revenues for the fourth quarter decreased 1.6% compared with the same period of the previous year. This result was due to the decrease of measured service rates in real terms, partially offset by higher interconnection revenues. For the full year, local revenues had an annual increase of 0.2% totaling 85,241 million pesos.

Operating costs and expenses increased 1.8% compared with the fourth quarter of 2002. This result was due to higher depreciation derived from the variation of the peso to the US dollar, partially offset by a decrease of 4.7% and 1.2% in cost of sales and services and commercial, administrative and general expenses, respectively. Additionally, costs related to interconnection decreased 2.0% in the fourth quarter. For the full year, total operating costs and expenses increased 1.3% totaling 59,331 million pesos

In the fourth quarter, operating income decreased 8.7% totaling 6,452 million pesos and EBITDA totaled 10,258 million pesos, similar to the amount registered in the same period of 2002. For the full year, operating income decreased 2.0% and EBITDA decreased 0.7%, totaling 25,910 and 39,977 million pesos, respectively.

Long distance business

| Income statements (Millions of Mexican pesos as of December 2003) | 4Q2003 | 4Q2002 | % Increase | 12 months 2003 | 12 months 2002 | % Increase |
|----------------------------------------------------------------------|---------|---------|------------|-------------------|-------------------|------------|
| Operating revenues | | | | | | |
| Domestic long distance | \$4,100 | \$4,483 | (8.5) | \$17,124 | \$17,412 | (1.7) |
| International long distance | 2,005 | 1,654 | 21.2 | 7,389 | 8,016 | (7.8) |
| Total | 6,105 | 6,137 | (0.5) | 24,513 | 25,428 | (3.6) |
| Operating costs and expenses | | | | | | |
| Cost of sales and services | 994 | 1,287 | (22.8) | 4,521 | 4,775 | (5.3) |

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| | | | | | | |
|----------------------------------------|---------|---------|-------|---------|----------|--------|
| Commercial, administrative and general | 1,391 | 1,480 | (6.0) | 5,027 | 5,069 | (0.8) |
| Interconnection to the local network | 906 | 837 | 8.2 | 3,320 | 3,342 | (0.7) |
| Cost of LADA special projects | 468 | 435 | 7.6 | 1,711 | 1,709 | 0.1 |
| Depreciation and amortization | 629 | 537 | 17.1 | 2,787 | 2,573 | 8.3 |
| Total | 4,388 | 4,576 | (4.1) | 17,366 | 17,468 | (0.6) |
| | | | | | | |
| Operating income | \$1,717 | \$1,561 | 10.0 | \$7,147 | \$7,960 | (10.2) |
| | | | | | | |
| EBITDA | \$2,346 | \$2,098 | 11.8 | \$9,934 | \$10,533 | (5.7) |
| EBITDA Margin (%) | 38.4 | 34.2 | 4.2 | 40.5 | 41.4 | (0.9) |
| Operating Margin (%) | 28.1 | 25.4 | 2.7 | 29.2 | 31.3 | (2.1) |

Comments on Long Distance Financial Results

The long distance income statement prepared in accordance with accounting separation principles shows that long distance revenues decreased 0.5% in the fourth 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 long distance traffic. For the full year, long distance revenues totaled 24,513 million pesos, a decrease of 3.6% compared with the previous year.

Operating costs and expenses in the fourth quarter decreased 4.1% compared with the same period of last year. This decrease is the result of the strict control on cost of sales and services that decreased 22.8% as well as in commercial, administrative and general expenses that also decreased 6.0%. Depreciation increased 17.1% because of the variation of the peso to the US dollar. For the full year, operating costs and expenses decreased 0.6%, totaling 17,366 million pesos.

Operating income increased 10.0% and EBITDA increased 11.8% in the fourth quarter totaling 1,717 and 2,346 million pesos, respectively. For the full year, operating income decreased 10.2% totaling 7,147 million pesos and EBITDA decreased 5.7% totaling 9,934 million pesos.

Definition

TELMEX, is a corporation made up of Telefonos de Mexico, S.A. de C.V., its subsidiaries and affiliates, provides telecommunications services throughout the country. In addition to other services, this includes operation of the nation's most complete local, domestic and international long distance networks. Additionally, TELMEX offers services like connectivity, Internet access, colocation, web hosting, production and distribution of telephone directories and interconnection services to other telecommunications operators

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: [TELMEX](#) QUARTER: 4 YEAR: 2003

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 fourth quarter of 2003 by the specific index method and the NCPI, 5th document.

| CONCEPT | INDEX | NCPI 5 th . DOCUMENT |
|--------------|-----------------|------------------------------------|
| Investment | Ps. 300,040,549 | Ps. 330,158,982 |
| Depreciation | | (206,976,722) |
| | | (179,823,252) |

| | | |
|--------------------------|-------------|-------------|
| Construction in progress | 444,695 | 539,532 |
| Total | 120,661,992 | 123,721,792 |
| Results | 20,497,566 | 22,496,378 |

S 18 DEFERRED ASSETS

At December 31, 2003, deferred assets rose to Ps. 668,768 that is comprised mainly by Ps. 586,933, that correspond to the acquisition of concessions to operate radio spectrum frequency bands to provide fixed wireless and mobile telephony services, that will be amortized in 20 years and the amount of Ps. 81,835 corresponds to goodwill that Teléfonos de México Group recognizes for share acquisitions of Teckmarketing, Aspel and Multicom; this goodwill is being amortized in 5 years.

S 19 OTHER ASSETS

This item rose to

\$ 23,755,248 and \$ 8,525,629 at December 31, 2003 and 2002, respectively, and is comprised by the following:

2003 2002

Inventories Ps. 1,419,210 Ps. 1,348,558

Intangible assets D-3 0 7,177,071

Projected net Asset D-3 22,336,038 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 December 31, 2003, the market value of the established fund exceeded the Accumulated Benefit Obligation (ABO) in \$3,509,362 and, accordingly with Bulletin D-3 "Labor Obligations" issued by the Mexican Institute of Public Accounts, the recognition of an additional minimum liability and the related intangible asset and effect of labor obligations on stockholders' equity was eliminated.

As a result of the foregoing, the balance sheet at December 31, 2003 presents a projected net asset of \$22,336,038.

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.

S 24 AND S 29 STOCK MARKET LOANS

On June 11, 1999, The Company issued US \$ 1,000 million of convertible senior debentures. The debentures are convertible to common stock at the option of the holders, at any time prior to their maturity into American Depositary Shares (ADSs), each representing 20 TELMEX "L" shares. The conversion price is U.S.\$29.5762 per ADS.

Should any person or group (other than the present controlling stockholders) acquire 50% or more of the issuer's voting shares, the holders of the convertible debentures may ask TELMEX to repurchase the convertible debentures, for 100% of the principal amount plus unpaid accrued interest through the repurchase date.

The maturity date of the convertible debentures is June 15, 2004. The debentures bear 4.25% annual interest, payable bi-annually.

During the third and fourth quarter of 2003, Telmex made several purchases in the market of the convertible debentures for the amount of US\$ 191.2 million.

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 Bursátiles") for a total of Ps. 3,200 million (Ps. 4,250 million in 2001, nominal value) under the Ps. 10,000 million program authorized by the National Banking and Securities Commission. The unissued balance under this program is Ps. 2,550 million.

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.

During the year, credits for the amount of U.S \$727 million were prepaid that includes the advanced payment made in June of a syndicated loan for U.S.\$ 450 million that was due in December 2003.

S 26 OTHER CURRENT LIABILITIES

At December 31, 2003 and 2002, this item rose to Ps. 15,720,299 and Ps. 17,487,845 respectively and is comprised by the following concepts:

| | 2003 | 2002 |
|---------------------|---------------|----------------|
| Accounts payable | Ps. 9,420,903 | Ps. 11,082,062 |
| Accrued liabilities | 5,027,955 | 5,234,483 |
| Deferred credits | 1,271,441 | 1,171,300 |

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 \$ 35,540,000 and \$34,553,854 at December 31 2003 and 2002, respectively and is comprised by the following:

2003 2002

Domestic Senior Notes Ps 7,450,000 Ps. 7,746,510

Bonds 28,090,000 16,084,406

Convertible Debt 0 10,722,938

S 31 DEFERRED CREDITS

At December 31, 2003 and 2002, this item rose to Ps. 20,454,195 and Ps. 13,495,846, 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 December 31, 2002 this item rose to Ps. 7,996,452 and represents the liability for pensions and seniority premiums based on the requirements of Bulletin D-3 "Labor Obligations".

S 42 RETAINED EARNINGS

At December 31, 2003 and 2002, this item rose to Ps. 79,030,972 and Ps. 77,350,800, respectively and is comprised by the following concepts:

| | 2003 | 2002 |
|---------------|----------------|----------------|
| Legal reserve | Ps. 16,630,529 | Ps. 15,904,800 |

| | | |
|----------------------------------------|------------|------------|
| Unappropriated earnings of prior years | 62,400,443 | 61,446,000 |
|----------------------------------------|------------|------------|

On April 29, 2003 and 2002, stockholders meeting approved an increase of Ps. 7,601,474 (nominal value) and Ps. 4,549,888 (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. 10,000,000 (nominal value) respectively. At December 31, 2003 and 2002, the remaining authorized amount was Ps. 1,974,502 (nominal value) and Ps. 5,571,124 (nominal value), respectively.

From January to December 2003, the Company acquired 666.2 million Series "L" shares for Ps. 11,391,449 (historical cost of Ps. 11,174,197) and 3.9 million Series "A" shares for Ps. 67,233 (historical cost of Ps. 65,805).

From January to December 2002, the Company acquired 386.4 million Series "L" shares for Ps. 6,429,340 (historical cost of Ps. 6,031,506) and 1.4 million series "A" shares for Ps. 21,785 (historical cost of Ps. 20,748).

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 December 31, 2003 and 2002, this item rose to Ps. (60,933,474) and Ps. (74,302,300), respectively and is comprised in the following manner:

| | 2003 | 2002 |
|-----------------------------------------|---------------------|---------------------|
| Accumulated monetary position loss | Ps. (12,921,106) | Ps. (12,921,105) |
| Result from holding non-monetary assets | (48,012,368) | (61,381,195) |

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.

In 1990, the Company established an irrevocable trust fund to cover the payment of these obligations. It adopted the policy of making annual contributions to the 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.

This item presents the balance of the projected net asset for Ps. 22,336,038 and the current net liability for Ps. 7,996,452 at December 2003 and 2002, respectively.

COMPREHENSIVE INCOME

At December 31, 2003 and 2002 this item rose to Ps. 24,960,814 y Ps. 21,756,612, respectively by the application of Bulletin B-4 comprehensive income; and is comprised by the following:

| | 2003 | 2002 |
|-----------------------------------------|----------------|----------------|
| Net income for the period | Ps. 22,449,763 | Ps. 20,346,718 |
| Result from holding non-monetary assets | 4,129,481 | 10,375,473 |
| Deferred income tax of the period | (1,618,430) | (1,073,337) |
| Effect of labor obligations | 0 | (7,892,242) |
| Comprehensive Income | 24,960,814 | 21,756,612 |

NOTES TO CONSOLIDATED STATEMENTS OF INCOME

R 33 DEFERRED INCOME TAX

At December 31, 2003 and 2002, Telmex Group is recognizing Ps. 611,511 and Ps. (325,441), respectively for the application of the 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

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| COMPANY NAME | MAIN ACTIVITIES | | OWNERSHIP | TOTAL AMOUNT |
|--------------|-----------------|--|-----------|--------------|
|--------------|-----------------|--|-----------|--------------|

| | | | NUMBER OF SHARES | % | (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 | 29,429,972 |
| 2 | Cía. de Teléfonos y Bienes Raíces, S.A. de C.V. | Real estate acquisition & leasing | 1,034,000,000 | 100 | 1,040,903 | 7,084,734 |
| 3 | Alquiladora de Casas, S.A. de C.V. | Real estate acquisition & leasing | 686,001,490 | 100 | 702,096 | 3,102,940 |
| 4 | Construcciones y Canalizaciones, S.A. de C.V. | Construction & maint. of telephone network | 28,369,000 | 100 | 28,636 | 508,276 |
| 5 | Empresa de Limpieza Mexicana, S.A. de C.V. | Cleaning Service Company | 50 | 100 | 49 | 57 |
| 6 | Renta de Equipo, S.A. de C.V. | Equipment, vehicles & real estate leasing | 769,595,000 | 100 | 769,645 | 836,790 |
| 7 | Multicomunicación Integral, S.A. de C.V. | Trunking, installation & sales services | 186,000,000 | 100 | 137,877 | 162,391 |
| 8 | Teleconstructora, S.A. de C.V. | Construction & maint. of telephone network | 19,400,000 | 100 | 19,397 | 114,979 |
| 9 | Anuncios en Directorios, S.A. de C.V. | Sale of advertising space in yellow pages | 1,081,750 | 100 | 1,240 | 66,972 |
| 10 | Operadora Mercantil, S.A. de C.V. | Sales agent advertising space in yellow pages | 50,000 | 100 | 54 | 1,343 |
| 11 | Impulsora Mexicana de Telecomunicaciones, S.A. | Network projects | 4,602,225 | 100 | 4,602 | 28,769 |
| 12 | Fuerza y Clima, S.A. de C.V. | Air conditioning installation & maint. | 4,925,000 | 100 | 4,944 | 72,351 |
| 13 | Teléfonos del Noroeste, S.A. de C.V. | Telecommunications services | 110,000,000 | 100 | 75,279 | 876,843 |
| 14 | Aerocomunicaciones, S.A. de C.V. | Aeronautic radiocom. mobile serv. | 76,723,650 | 99.99 | 76,724 | 78,731 |
| 15 | Tecmarketing, S.A. de C.V. | Telemarketing services | 6,850,000 | 100 | 138,972 | 186,097 |
| 16 | Comertel Argos, S.A. de C.V. | Personnel services | 6,000 | 100 | 13 | 2,702 |

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| | | | | | | |
|----|---------------------------------------------------|----------------------------------------|---------------|-------|------------|------------|
| 17 | Telmex International, Inc. | Holding Company in the U S A. | 4 | 100 | 202,569 | 233,652 |
| 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 | 255,912 |
| 20 | Consortio Red Uno, S.A. de C.V. | Design & integrated telecom. Services | 167,691,377 | 100 | 360,533 | 545,985 |
| 21 | Uninet, S.A. de C.V. | Data transmission services | 5,647,430 | 100 | 564,743 | 1,003,396 |
| 22 | Aerofrisco, S.A. de C.V. | Air Taxi services | 3,113,528,600 | 100 | 310,871 | 536,435 |
| 23 | Telnix, S.A. de C.V. | Managment of yellow pages | 4,865,360 | 100 | 6,853 | 9,176 |
| 24 | Grupo Técnico de Administración, S.A. de C.V. | Management, consulting & org. Services | 61,952 | 100 | 62 | 68 |
| 25 | Teninver, S.A. de C.V. | Investments in all types of businesses | 4,120,049,760 | 100 | 6,094,053 | 6,398,855 |
| 26 | Telmex Internet Investments, L.L.C. | Investments in Internet companies | 1,000 | 100 | 998,864 | 1,191,992 |
| | | | | | | |
| | Others Subsidiaries ____ (Number of subsidiaries) | | | | | |
| | TOTAL INVESTMENT IN SUBSIDIARIES | | | | 28,055,932 | 52,729,422 |
| | | | | | | |
| | ASSOCIATES | | | | | |
| 1 | Technology and Internet , LLC | Internet services | 500 | 50 | 974,989 | 217,691 |
| 2 | Technology Fund I, LLC | Communication services | 500 | 50 | 20,898 | 17,045 |
| 3 | The Telvista Company | Telemarketing Services in USA | 450 | 45 | 428,525 | 332,746 |
| 4 | Centro Histórico de la Ciudad de México, SA de CV | Real estate services | 80,020,000 | 21.77 | 80,020 | 94,904 |
| 5 | TM & MS, LLC | Internet portal (TIMSN) | 1 | 50 | 29,621 | 28,476 |
| | Others Associates ____ (Number of associates) | | | | | |
| | | | | | 1,534,053 | 690,862 |

| | | | | | | |
|--------------------------------|--|--|--|--|--|------------|
| TOTAL INVESTMENT IN ASSOCIATES | | | | | | |
| OTHER PERMANENT INVESTMENTS | | | | | | 142,519 |
| TOTAL | | | | | | 53,562,803 |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 5

CREDITS BREAKDOWN

(Thousand Pesos)

Consolidated

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| 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) | 14-12-2005 | 2.22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 14-03-2008 | 2.65 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|------------------------------------|------------|------|---|---|---|---|---|---|---|---|---|
| ABN AMRO BANK (1) | | | | | | | | | | | |
| BANAMEX AG. NY (1) | 24-12-2006 | 2.03 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANCA SERFIN AG.NY (1) | 24-12-2006 | 2.03 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BBV ARGENTARIA S.A. (1) | 22-12-2007 | 1.97 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANCO INTERNACIONAL, SAG (1) | 24-12-2006 | 2.03 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANCO SANTANDER CH NY (1) | 27-11-2008 | 1.42 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANK OF AMERICA (1) | 14-04-2006 | 1.47 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANK OF AMERICA (1) | 24-12-2006 | 2.03 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BARCLAYS BANK, BRUSSELS (1) | 31-12-2004 | 2.47 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BARCLAYS BANK, BRUSSELS (1) | 31-12-2005 | 2.22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CITIBANK, N.A. (1) | 24-12-2006 | 2.03 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEXIA BANK (1) | 31-12-2014 | 2.22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EXPORT DEVELOPMENT C. (1) | 22-04-2008 | 1.77 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GOLDMAN SACHS INT. (1) | 24-12-2006 | 2.03 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| JAPAN BANK FOR INT. COOP. (1) | 10-10-2011 | 2.31 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| JP MORGAN CHASE BANK (1) * | 20-12-2004 | 1.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| KREDITANSTALT FUR W. (1) | 15-12-2006 | 2.52 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| KREDITANSTALT FUR W. (1) | 30-11-2004 | 1.72 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NATEXIS BANQUE (2) | 31-03-2022 | 2.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NORDEA BANK FINLAND (1) | 04-12-2007 | 2.47 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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| | | | | | | | | | | |
|------------------------------------|------------|------|-----------|---|---|-----------|---------|---------|---|---|
| NORDEA BANK FINLAND (1) | 09-11-2004 | 2.72 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NORDIC INVESTMENT BANK (1) | 06-12-2006 | 2.32 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SKANDINAVISKA ENSKILDA B. (1) | 28-02-2010 | 2.65 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SKANDINAVISKA ENSKILDA B. (1) | 27-02-2004 | 2.22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SOCIETE GENERALE PARIS (1) | 24-12-2006 | 2.03 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SOCIETE GENERALE PARIS (1) | 24-12-2006 | 2.03 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SOCIETE GENERALE PARIS (1) | 14-05-2007 | 1.97 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| THE BANK OF TOKYO-MITSUB (1) | 28-12-2008 | 2.57 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ARRENDADORA CITIBANK (1) | 25-06-2004 | 2.22 | 0 | 0 | 0 | 128,977 | 0 | 0 | 0 | 0 |
| BANAMEX, S.A. (1) | 27-06-2005 | 2.22 | 0 | 0 | 0 | 211,750 | 109,826 | 0 | 0 | 0 |
| BBVA BANCOMER (1) | 10-10-2006 | 2.12 | 0 | 0 | 0 | 122,995 | 126,706 | 130,529 | 0 | 0 |
| BBVA BANCOMER (1) | 10-10-2006 | 2.22 | 0 | 0 | 0 | 231,602 | 247,400 | 0 | 0 | 0 |
| BBVA BANCOMER (3) | 27-01-2004 | 6.34 | 800,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BANCO INTERNACIONAL (1) | 24-12-2006 | 2.03 | 0 | 0 | 0 | 26,193 | 13,220 | 13,220 | 0 | 0 |
| BBVA BANCOMER (3) | 22-05-2004 | 6.37 | 500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CITIBANK MEXICO, S.A. (1) | 26-06-2006 | 2.10 | 0 | 0 | 0 | 289,887 | 301,082 | 154,881 | 0 | 0 |
| ARRENDADORA INBURSA (3) | 28-02-2004 | 6.49 | 580 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TESORERIA DE LA FEDERAC (1) | 24-12-2006 | 2.03 | 0 | 0 | 0 | 51,335 | 25,869 | 25,869 | 0 | 0 |
| TOTAL BANKS | | | 1,300,580 | 0 | 0 | 1,062,740 | 824,102 | 324,499 | 0 | 0 |
| | | | | | | | | | | |
| | | | | | | | | | | |

| | | | | | | | | | | |
|----------------------------------------------------|------------|-------|------------|-----------|---|-----------|---------|---------|---|---|
| STOCK EXCHANGE | | | | | | | | | | |
| LISTED IN THE MEXICAN STOCK EXCHANGE | | | | | | | | | | |
| UNSECURED DEBT | | | | | | | | | | |
| SENIOR NOTES DUE 2006 (2) | 26-01-2006 | 8.25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SENIOR NOTES DUE 2008 (2) | 19-11-2008 | 4.50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CONVERT. SECURITIES 2004 (2) | 15-06-2004 | 4.25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CERT. BURSATIL TMX 02-2 (4) | 10-02-2005 | 7.17 | 0 | 850,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| CERT. BURSATIL TMX 02 (4) | 09-02-2007 | 7.54 | 0 | 1,650,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| CERT. BURS TMX 01, 02-3 Y 02-4 (2) | 31-05-2012 | 11.05 | 0 | 1,700,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| CERT. BURS TMX 01-2 (4) | 26-10-2007 | 7.64 | 0 | 3,250,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL STOCK EXCHANGE | | | 0 | 7,450,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER CURRENT LIABILITIES AND OTHER CREDITS | | | | | | | | | | |
| OTHER CURRENT LIABILITIES AND OTHER CREDITS (S-26) | | | 15,720,299 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OTHER CURRENT LIABILITIES AND OTHER CREDITS | | | 15,720,299 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | | | 17,020,879 | 7,450,000 | 0 | 1,062,740 | 824,102 | 324,499 | 0 | 0 |

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. CETES plus margin

B.- The following rates were considered:

1. Libor

at 6 months in U S dollars is equivalent to 1.22 at December 31, 2003

- TIE

at 28 days is equivalent to 6.2889 at December 31, 2003

- CETES

at 91 days is equivalent to 6.1700 at December 31, 2003

- CETES

at 182 days is equivalent to 6.7400 at December 24, 2003

C.- * Syndicated Credit Administrative Agent

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

E.- Liabilities in foreign currency were exchanged at the prevailing exchange rate at the end of the reporting period, which at December 31,2003 were as follows:

| CURRENCY | AMOUNT | E.R. |
|------------------|-----------|---------|
| DOLLAR (U.S.) | 5,304,750 | 11.2360 |
| EURO | 22,835 | 14.1630 |

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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 | 551,354 | 6,195,011 | 0 | 0 | 6,195,011 |
| LIABILITIES | 5,304,751 | 59,604,172 | 28,783 | 323,412 | 59,927,584 |

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| | | | | | |
|------------------------|-------------|--------------|----------|-----------|--------------|
| SHORT-TERM LIABILITIES | 1,684,922 | 18,931,778 | 2,638 | 29,643 | 18,961,421 |
| LONG-TERM LIABILITIES | 3,619,829 | 40,672,394 | 26,145 | 293,769 | 40,966,163 |
| NET BALANCE | (4,753,397) | (53,409,161) | (28,783) | (323,412) | (53,732,573) |

NOTES:

Assets and Liabilities in foreign currency were exchanged at the prevailing exchange rate at the end of the reporting period, which at December 31,2003 were as follows:

| CURRENCY | AMOUNT | E.R. |
|---------------|-----------|---------|
| DOLLAR (U.S.) | 5,304,750 | 11.2360 |
| EURO | 22,835 | 14.1630 |

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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 | 36,560,358 | 86,958,297 | 50,397,939 | 0.40 | 201,592 |

| | | | | | |
|---------------------|------------|------------|------------|--------|-----------|
| FEBRUARY | 35,329,491 | 89,493,355 | 54,163,864 | 0.28 | 151,659 |
| MARCH | 37,691,382 | 89,235,609 | 51,544,227 | 0.63 | 324,729 |
| APRIL | 37,418,314 | 86,945,912 | 49,527,598 | 0.17 | 84,197 |
| MAY | 37,705,667 | 83,419,160 | 45,713,493 | (0.32) | (146,283) |
| JUNE | 37,988,424 | 82,321,067 | 44,332,643 | 0.08 | 35,466 |
| JULY | 31,060,277 | 75,854,678 | 44,794,401 | 0.14 | 62,712 |
| AUGUST | 33,700,783 | 77,431,029 | 43,730,246 | 0.30 | 131,191 |
| SEPTEMBER | 34,968,492 | 77,767,661 | 42,799,169 | 0.60 | 256,795 |
| OCTOBER | 34,771,986 | 76,613,962 | 41,841,976 | 0.37 | 154,815 |
| NOVEMBER | 39,732,459 | 78,138,672 | 38,406,213 | 0.83 | 318,772 |
| DECEMBER | 47,186,360 | 85,130,441 | 37,944,081 | 0.43 | 163,160 |
| ACTUALIZATION : | 0 | 0 | 0 | 0.00 | 31,643 |
| CAPITALIZATION : | 0 | 0 | 0 | 0.00 | 0 |
| FOREIGN CORP. : | 0 | 0 | 0 | 0.00 | 0 |
| OTHER | 0 | 0 | 0 | 0.00 | (118,480) |
| TOTAL | | | | | 1,651,968 |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 8

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

Consolidated

Final printing

| FINANCIAL COVENANTS UNDER ISSUANCE DEED AND/OR TITLE | | | | |
|------------------------------------------------------|--|--|--|--|
| DOES NOT APPLY | | | | |
| | | | | |
| | | | | |
| | | | | |
| CURRENT SITUATION OF FINANCIAL COVENANTS | | | | |
| DOES NOT APPLY | | | | |
| | | | | |
| | | | | |
| | | | | |
| BONDS AND/OR MEDIUM-TERM NOTES CERTIFICATE | | | | |
| 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 | USAGE (%) |
|-----------------|-------------------|----------------|-----------|
| NOT AVAILABLE | | 0 | 0 |
| | | | |
| NOTES | | | |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 10

RAW MATERIALS

Consolidated

Final printing

| DOMESTIC | MAIN SUPPLIERS | IMPORT | MAIN SUPPLIERS | DOM. SUBS. | PRODUCTION COST (%) |
|---------------|----------------|--------|----------------|------------|---------------------|
| NOT AVAILABLE | | | | 0 | 0 |
| | | | | | |
| NOTES : | | | | | |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 11

DOMESTIC SALES - MAIN SERVICES -

(Thousand Pesos)

Consolidated

| MAIN PRODUCTS | TOTAL PRODUCTION | | NET SALES | | MARKET SHARE | MAIN | |
|-----------------------|------------------|--------|-----------|-------------|--------------|------------|-----------|
| | VOLUME | AMOUNT | VOLUME | AMOUNT | (%) | TRADEMARKS | CUSTOMERS |
| LOCAL SERVICE | | | | 53,871,252 | | | |
| LONG DISTANCE SERVICE | | | | 37,230,068 | | | |
| INTERCONNECTION | | | | 17,565,458 | | | |
| OTHERS | | | | 5,856,619 | | | |
| TOTAL | | | | 114,523,397 | | | |

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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 | | | | 2,324,562 | | | |
| | | | | | | | |
| TOTAL | | | | 2,324,562 | | | |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

[ANNEX 13](#)

PROJECT INFORMATION

(Thousand Pesos)

Consolidated

Final printing

| ITEM | FOURTH QUARTER 2003 | USAGE % | USED AMOUNT | BUDGET 2003 | USAGE % |
|-------------------------|---------------------|-------------|-------------------|-------------------|-------------|
| DATA | 939,124 | 54.3 | 1,879,956 | 1,729,431 | 108.7 |
| INTERNAL PLANT | 871,557 | 43.2 | 1,681,906 | 2,016,619 | 83.4 |
| OUTSIDE PLANT | 1,252,782 | 33.6 | 2,775,211 | 3,733,730 | 74.3 |
| TRANSMISSION NETWORK | 1,138,193 | 47.3 | 2,266,220 | 2,405,183 | 94.2 |
| SYSTEMS | 363,676 | 48.0 | 445,135 | 757,636 | 58.8 |
| OTHERS | 1,412,548 | 163.9 | 2,014,079 | 861,894 | 233.7 |
| TOTAL INVESTMENT | 5,977,880 | 52.0 | 11,062,507 | 11,504,493 | 96.2 |

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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

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Basis of translation of financial statements of foreign subsidiaries

The financial statements of the subsidiaries located in the United States of America (U.S.A.) 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

| SERIAL | NOMINAL VALUE | VALID CUPON | NUMBER OF SHARES | | | | CAPITAL STOCK (Thousand Pesos) | |
|--------|---------------|-------------|------------------|------------------|---------------|---------------------|-----------------------------------|----------|
| | | | FIXED PORTION | | | PUBLIC SUBSCRIPTION | FIXED | VARIABLE |
| | | | | VARIABLE PORTION | MEXICAN | | | |
| A | 0.025 | | 264,575,974 | 0 | | 264,575,974 | 6,614 | 0 |
| AA | 0.025 | | 4,136,480,585 | 0 | 4,136,480,585 | 0 | 103,412 | 0 |
| L | 0.025 | | 7,708,148,693 | 0 | | 7,708,148,693 | 192,704 | 0 |
| TOTAL | 0.025 | | 12,109,205,252 | 0 | 4,136,480,585 | 7,972,724,667 | 302,730 | 0 |

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

| | | | | | | | | |
|--|----------------|--|--|--|--|--|--|--|
| | 12,109,205,252 | | | | | | | |
|--|----------------|--|--|--|--|--|--|--|

SHARES PROPORTION BY:

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

REPURCHASE OF OWN SHARES

| SERIES | NUMBER OF SHARES | MARKET VALUE OF THE SHARE | | | | |
|--------|------------------|---------------------------|------------|--|--|--|
| | | AT REPURCHASE | AT QUARTER | | | |
| A & L | 670,153,231 | 18.00460 | 17.80570 | | | |

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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: | |
| INTERNET PAGE: | |

ISSUER FISCAL INFORMATION

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

PAYMENT RESPONSIBLE

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

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

OFFICERS INFORMATION

| | |
|---------------|--------------------------------------------------------|
| POSITION BMV: | CHAIRMAN OF THE BOARD |
| POSITION: | CHAIRMAN OF THE BOARD |
| NAME: | ING. CARLOS SLIM HELU |
| ADDRESS: | AV. PASEO DE LAS PALMAS 750, COL. LOMAS DE CHAPULTEPEC |
| ZIP: | 11000 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 56 25 49 00 |
| FAX: | 55 20 15 10 |
| E-MAIL: | |

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

| | |
|------------|---------------------------|
| TELEPHONE: | 55 46 15 46 & 52 22 51 52 |
| FAX: | 57 05 00 39 |
| E-MAIL: | |

| | |
|---------------|-----------------------------------------------------------------------|
| POSITION BMV: | CHIEF FINANCIAL OFFICER |
| POSITION: | CHIEF FINANCIAL OFFICER |
| NAME: | ING. ADOLFO CEREZO PEREZ |
| ADDRESS: | PARQUE VIA 190 - 10 TH . FLOOR OFFICE 1016, COL. 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: | smedina@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: smedina@telmex.com

POSITION BMV: RESPONSIBLE OF PROVIDE INFORMATION TO INVESTORS
 POSITION: INVESTORS RELATIONS MANAGER
 NAME: LIC. ALEJANDRO MARTINEZ ALTAMIRANO
 ADDRESS: PARQUE VIA 198 - 7TH. 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 - 5TH. FLOOR OFFICE 501, COL. CUAUHTEMOC
 ZIP: 06599
 CITY: MEXICO, D.F.
 TELEPHONE: 52 22 53 95
 FAX: 52 50 80 54
 E-MAIL: erosendo@telmex.com

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

| | |
|------------|----------------------------------------|
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 57 03 39 90 |
| FAX: | 55 45 55 50 |
| E-MAIL: | amaltami@telmex.com & ri@telmex.com |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

BOARD OF DIRECTORS

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SERIES: ALL

POSITION: CHAIRMAN OF THE BOARD
NAME: [ING. CARLOS SLIM ELU](#)

POSITION: BOARD PROPIETORS
NAME: [SR. EMILIO AZCARRAGA JEAN](#)
NAME: [ING. JAIME CHICO PARDO](#)
NAME: [ING. ANTONIO COSIO ARI](#)

NAME: [SR. MARK E. ROYSE](#)
NAME: [MTRA. AMPARO ESPINOSA RUGARCIA](#)
NAME: [ING. ELMER FRANCO MACIAS](#)

NAME: C.P. RAFAEL KALACH MIZRAHI
NAME: LIC. ANGEL LOSADA MORENO
NAME: SRITA. JANET M. DUNCAN
NAME: LIC. RICARDO MARTIN BRINGAS
NAME: SR. ROMULO O FARRIL JR.:
NAME: C.P. JUAN ANTONIO PEREZ SIMON
NAME: LIC. FERNANDO SENDEROS MESTRE
NAME: LIC. CARLOS SLIM DOMIT
NAME: LIC. MARCO ANTONIO SLIM DOMIT
NAME: SR. JAMES W. CALLAWAY

POSITION: BOARD ALTERNATES
NAME: SR. JAIME ALVERDE GOYA
NAME: LIC. CARLOS BERNAL VEREA
NAME: SR. JORGE A. CHAPA SALAZAR
NAME: ING. ANTONIO COSIO PANDO
NAME: C.P. ANTONIO DEL VALLE RUIZ
NAME: LIC. ARTURO ELIAS AYUB
NAME: SRA. ANGELES ESPINOSA YGLESIAS
NAME: SR. JORGE ESTEVE CAMPDERA
NAME: ING. AGUSTIN FRANCO MACIAS
NAME: C.P. HUMBERTO GUTIERREZ OLVERA Z.
NAME: LIC. JOSE KURI HARFUSH
NAME: LIC. FEDERICO LAFFAN FANO
NAME: C.P. FRANCISCO MEDINA CHAVEZ
NAME: ING. BERNARDO QUINTANA ISAAC
NAME: LIC. PATRICK SLIM DOMIT
NAME: LIC. FERNANDO SOLANA MORALES
NAME: LIC. EDUARDO VALDES ACRA

POSITION: STATUTORY AUDITOR
NAME: C.P. ALBERTO TIBURCIO CELORIO

POSITION: ALTERNATE STATUTORY AUDITOR
NAME: C.P. FERNANDO ESPINOSA LOPEZ

POSITION: SECRETARY OF BOARD OF DIRECTORS
NAME: LIC. SERGIO MEDINA NORIEGA

POSITION: ASISTANT SECRETARY

NAME: 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

Consolidated

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

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
COMPTRROLLER

MEXICO CITY, FEBRUARY 3, 2004.
