

TELEFONOS DE MEXICO S A DE C V
Form 6-K
July 27, 2005

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer

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

For the month of July 2005

Commission File Number: 333-13580

Teléfonos de México, S.A. de C.V.

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

Telephones of Mexico

(Translation of Registrant's Name into English)

Parque Vía 190

Colonia Cuauhtémoc

México City 06599, México, D.F.

(Address of principal executive offices)

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

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

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

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

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

Yes No... ..

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

TELÉFONOS DE MÉXICO, S.A. DE C.V.

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2005

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2005

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-01

CONSOLIDATED BALANCE SHEETS

AT JUNE 30, 2005 & 2004

(Thousand Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|---------------------------------|--------------------------------------|--------------|---------------------------------------|-----|
| | | Amount | % | Amount | % |
| | | 1 | TOTAL ASSETS | 254,942,236 | 100 |
| 2 | CURRENT ASSETS | 62,317,543 | 24 | 38,345,309 | 20 |
| 3 | CASH AND SHORT-TERM INVESTMENTS | 28,263,215 | 11 | 6,932,349 | 4 |
| 4 | ACCOUNTS RECEIVABLE, NET | 22,847,263 | 9 | 19,031,974 | 10 |
| 5 | OTHER ACCOUNTS RECEIVABLE, NET | 7,912,857 | 3 | 4,181,585 | 2 |
| 6 | INVENTORIES | 1,029,379 | 0 | 1,006,474 | 1 |

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| | | | | | |
|----|--|-------------|-----|-------------|-----|
| 7 | OTHER CURRENT ASSETS | 2,264,829 | 1 | 7,192,927 | 4 |
| 8 | LONG - TERM | 1,016,595 | 0 | 1,495,694 | 1 |
| 9 | ACCOUNTS RECEIVABLE, NET | 0 | 0 | 0 | 0 |
| 10 | INVESTMENT IN SHARES OF SUBSIDIARIES AND AFFILIATES NON-CONSOLIDATED | 957,764 | 0 | 1,442,806 | 1 |
| 11 | OTHER INVESTMENTS | 58,831 | 0 | 52,888 | 0 |
| 12 | PLANT, PROPERTY AND EQUIPMENT, NET | 148,555,904 | 58 | 128,016,277 | 65 |
| 13 | PROPERTY | 0 | 0 | 0 | 0 |
| 14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 415,775,237 | 163 | 331,247,879 | 169 |
| 15 | OTHER EQUIPMENTS | 0 | 0 | 0 | 0 |
| 16 | ACCUMULATED DEPRECIATION | 274,044,584 | 107 | 204,711,873 | 104 |
| 17 | CONSTRUCTIONS IN PROGRESS | 6,825,251 | 3 | 1,480,271 | 1 |
| 18 | DEFERRED ASSETS, NET | 16,896,528 | 7 | 1,945,928 | 1 |
| 19 | OTHER ASSETS | 26,155,666 | 10 | 26,275,113 | 13 |
| | | | | | |
| 20 | TOTAL LIABILITIES | 143,095,708 | 100 | 108,024,568 | 100 |
| | | | | | |
| 21 | CURRENT LIABILITIES | 50,307,533 | 35 | 36,175,238 | 33 |
| 22 | SUPPLIERS | 0 | 0 | 0 | 0 |
| 23 | BANK LOANS | 5,109,124 | 4 | 14,188,767 | 13 |
| 24 | STOCK MARKET LOANS | 12,726,910 | 9 | 886,720 | 1 |
| 25 | TAXES PAYABLE | 3,632,172 | 3 | 3,447,258 | 3 |
| 26 | OTHER CURRENT LIABILITIES | 28,839,327 | 20 | 17,652,493 | 16 |
| 27 | LONG - TERM LIABILITIES | 74,581,249 | 52 | 50,192,564 | 46 |
| 28 | BANK LOANS | 38,163,549 | 27 | 13,545,991 | 13 |
| 29 | STOCK MARKET LOANS | 36,417,700 | 25 | 36,646,573 | 34 |
| 30 | OTHER LOANS | 0 | 0 | 0 | 0 |
| 31 | DEFERRED CREDITS | 16,335,332 | 11 | 21,656,766 | 20 |
| 32 | OTHER LIABILITIES | 1,871,594 | 1 | 0 | 0 |
| | | | | | |
| 33 | CONSOLIDATED STOCKHOLDERS' EQUITY | 111,846,528 | 100 | 88,053,753 | 100 |
| | | | | | |
| 34 | MINORITY INTEREST | 11,518,988 | 10 | 154,109 | 0 |
| 35 | MAJORITY INTEREST | 100,327,540 | 90 | 87,899,644 | 100 |

| | | | | | |
|----|---|--------------|------|--------------|------|
| 36 | CONTRIBUTED CAPITAL | 46,546,155 | 42 | 48,302,988 | 55 |
| 37 | CAPITAL STOCK (NOMINAL) | 286,903 | 0 | 302,971 | 0 |
| 38 | RESTATEMENT OF CAPITAL STOCK | 27,349,781 | 24 | 29,090,546 | 33 |
| 39 | PREMIUM ON SALES OF SHARES | 18,909,471 | 17 | 18,909,471 | 21 |
| 40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 | 0 | 0 |
| 41 | CAPITAL INCREASE (DECREASE) | 53,781,385 | 48 | 39,596,656 | 45 |
| 42 | RETAINED EARNINGS AND CAPITAL RESERVE | 107,460,577 | 96 | 95,031,842 | 108 |
| 43 | RESERVE FOR REPURCHASE OF OWN SHARES | 0 | 0 | 0 | 0 |
| 44 | EXCESS (SHORTFALL) FROM RESTATEMENT OF STOCKHOLDERS' EQUITY | (66,509,505) | (59) | (65,767,545) | (75) |
| 45 | NET INCOME | 12,830,313 | 11 | 10,332,359 | 12 |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2005

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 | 28,263,215 | 100 |
| 46 | CASH | 1,935,743 | 7 | 1,088,791 | 16 |
| 47 | SHORT-TERM INVESTMENTS | 26,327,472 | 93 | 5,843,558 | 84 |
| 18 | DEFERRED ASSETS, NET | 16,896,528 | 100 | 1,945,928 | 100 |
| 48 | AMORTIZED OR REDEEMED EXPENSES | 4,053,363 | 24 | 803,114 | 41 |
| 49 | GOODWILL | 6,918,228 | 41 | 1,142,814 | 59 |
| 50 | DEFERRED TAXES | 5,924,937 | 35 | 0 | 0 |
| 51 | OTHERS | 0 | 0 | 0 | 0 |
| 21 | CURRENT LIABILITIES | 50,307,533 | 100 | 36,175,238 | 100 |
| 52 | FOREIGN CURRENCY LIABILITIES | 17,036,034 | 34 | 13,368,300 | 37 |
| 53 | MEXICAN PESOS LIABILITIES | 33,271,499 | 66 | 22,806,938 | 63 |
| 24 | STOCK MARKET SHORT-TERM SECURITIES | 12,726,910 | 100 | 886,720 | 100 |
| 54 | COMMERCIAL PAPER | 0 | 0 | 0 | 0 |
| 55 | MEDIUM-TERM NOTES | 0 | 0 | 0 | 0 |
| 56 | CURRENT MATURITIES OF SECURITIES | 12,726,910 | 100 | 886,720 | 100 |
| 26 | OTHER CURRENT LIABILITIES | 28,839,327 | 100 | 17,652,493 | 100 |
| 57 | OTHER CURRENT LIABILITIES WITH COST | 0 | 0 | 0 | 0 |
| 58 | OTHER CURRENT LIABILITIES WITHOUT COST | 28,839,327 | 100 | 17,652,493 | 100 |
| 27 | LONG - TERM LIABILITIES | 74,581,249 | 100 | 50,192,564 | 100 |
| 59 | FOREIGN CURRENCY LIABILITIES | 67,481,249 | 90 | 41,951,283 | 84 |
| 60 | MEXICAN PESOS LIABILITIES | 7,100,000 | 10 | 8,241,281 | 16 |
| 29 | STOCK MARKET LONG-TERM SECURITIES | 36,417,700 | 100 | 36,646,573 | 100 |
| 61 | BONDS | 36,417,700 | 100 | 36,646,573 | 100 |

| | | | | | |
|----|--|--------------|------|--------------|------|
| 62 | MEDIUM-TERM NOTES | 0 | 0 | 0 | 0 |
| | | | | | |
| | OTHER LOANS | 0 | 100 | 0 | 100 |
| 63 | OTHER LOANS WITH COST | 0 | 0 | 0 | 0 |
| 64 | OTHER LOANS WITHOUT COST | 0 | 0 | 0 | 0 |
| | | | | | |
| 31 | DEFERRED CREDITS | 16,335,332 | 100 | 21,656,766 | 100 |
| 65 | GOODWILL | 0 | 0 | 0 | 0 |
| 66 | DEFERRED TAXES | 16,335,332 | 100 | 21,656,766 | 100 |
| 67 | OTHERS | 0 | 0 | 0 | 0 |
| | | | | | |
| 32 | OTHER LIABILITIES | 1,871,594 | 100 | 0 | 100 |
| 68 | RESERVES | 1,871,594 | 100 | 0 | 0 |
| 69 | OTHERS LIABILITIES | 0 | 0 | 0 | 0 |
| | | | | | |
| 44 | EXCESS (SHORTFALL) FROM RESTATEMENTS OF STOCKHOLDERS' EQUITY | (66,509,505) | 100 | (65,767,545) | 100 |
| 70 | ACCUMULATED MONETARY POSITION INCOME | (13,705,882) | (21) | (13,705,882) | (21) |
| 71 | RESULT FROM HOLDING NON-MONETARY ASSETS | (52,803,623) | (79) | (52,061,663) | (79) |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-03

CONSOLIDATED BALANCE SHEETS

- OTHER CONCEPTS -

(Thousand Pesos)

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|--|--------------------------------------|--|
| | | Amount | Amount |
| 72 | WORKING CAPITAL | 12,010,010 | 2,170,071 |
| 73 | PENSIONS FUND AND SENIORITY PREMIUMS | 1,871,594 | 0 |
| 74 | EXECUTIVES (*) | 123 | 124 |
| 75 | EMPLOYEES (*) | 26,818 | 11,233 |
| 76 | WORKERS (*) | 51,054 | 49,989 |
| 77 | OUTSTANDING SHARES (*) | 22,952,276,050 | 24,237,719,908 |
| 78 | REPURCHASE OF OWN SHARES (*) | 676,628,260 | 763,075,000 |
| | | | |
| | | | |
| (*) | THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS. | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2005

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-04

CONSOLIDATED STATEMENTS OF INCOME

- FROM JANUARY 01 TO JUNE 30, 2005 & 2004 -

(Thousand Pesos)

| REF R | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|--|-----------------------|-----|------------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| 1 | OPERATING REVENUES | 79,253,718 | 100 | 62,291,803 | 100 |
| 2 | COST OF SALES AND SERVICES | 43,095,432 | 54 | 32,784,135 | 53 |
| 3 | GROSS INCOME | 36,158,286 | 46 | 29,507,668 | 47 |
| 4 | OPERATING COSTS | 13,554,847 | 17 | 9,319,734 | 15 |
| 5 | OPERATING INCOME | 22,603,439 | 29 | 20,187,934 | 32 |
| 6 | COMPREHENSIVE FINANCING COST | 1,412,019 | 2 | 1,758,192 | 3 |
| 7 | INCOME AFTER COMPREHENSIVE FINANCING COST | 21,191,420 | 27 | 18,429,742 | 30 |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 0 | 0 | 0 |
| 9 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 21,191,420 | 27 | 18,429,742 | 30 |
| 10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 7,925,633 | 10 | 8,055,114 | 13 |
| 11 | INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 13,265,787 | 17 | 10,374,628 | 17 |
| 12 | EQUITY IN RESULTS OF SUBSIDIARIES AND AFFILIATES | (42,965) | 0 | (42,269) | 0 |
| 13 | INCOME FROM CONTINUOUS OPERATIONS | 13,222,822 | 17 | 10,332,359 | 17 |
| 14 | INCOME FROM DISCONTINUOUS OPERATIONS, NET | 0 | 0 | 0 | 0 |
| 15 | NET INCOME BEFORE EXTRAORDINARY ITEMS | 13,222,822 | 17 | 10,332,359 | 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 | 13,222,822 | 17 | 10,332,359 | 17 |
| 19 | MINORITY INTEREST | 392,509 | 0 | 0 | 0 |
| 20 | MAJORITY INTEREST | 12,830,313 | 16 | 10,332,359 | 17 |
| | | | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2005

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 | 79,253,718 | 100 | 62,291,803 | 100 |
| 21 | DOMESTIC | 58,397,255 | 74 | 59,897,249 | 96 |
| 22 | FOREIGN | 20,856,463 | 26 | 2,394,554 | 4 |
| 23 | TRANSLATION INTO DOLLARS (***) | 1,923,531 | 2 | 201,146 | 0 |
| | | | | | |
| 6 | COMPREHENSIVE FINANCING COST | 1,412,019 | 100 | 1,758,192 | 100 |
| 24 | INTEREST EXPENSE | 3,332,087 | 236 | 2,910,824 | 166 |
| 25 | EXCHANGE LOSS | 865,564 | 61 | 703,472 | 40 |
| 26 | INTEREST INCOME | 2,089,265 | 148 | 1,105,917 | 63 |
| 27 | EXCHANGE GAIN | 0 | 0 | 0 | 0 |
| 28 | INCOME DUE TO MONETARY POSITION | (696,367) | (49) | (750,187) | (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 | 100 | 0 | 100 |
| 29 | OTHER INCOME AND EXPENSES, NET | 0 | 0 | 0 | 0 |
| 30 | LOSS (PROFIT) ON SALE OF OWN SHARES | 0 | 0 | 0 | 0 |
| 31 | | 0 | 0 | 0 | 0 |

| | LOSS (PROFIT) ON SALE OF SHORT-TERM INVESTMENTS | | | | |
|-------|--|-------------|------|-----------|-----|
| 10 | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 7,925,633 | 100 | 8,055,114 | 100 |
| 32 | INCOME TAX | 7,540,678 | 95 | 6,961,757 | 86 |
| 33 | DEFERRED INCOME TAX | (1,347,131) | (17) | (403,734) | (5) |
| 34 | EMPLOYEE PROFIT SHARING | 1,732,086 | 22 | 1,497,091 | 19 |
| 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 | 79,253,717 | 62,291,802 |
| 37 | NET INCOME | 0 | 0 |
| 38 | OPERATING REVENUES (**) | 158,152,955 | 126,537,182 |
| 39 | OPERATING INCOME (**) | 46,438,108 | 41,907,966 |

| | | | |
|------|---------------------------------------|------------|------------|
| 40 | NET INCOME OF MAJORITY INTEREST (**) | 30,225,525 | 21,979,795 |
| 41 | NET INCOME (**) | 30,959,605 | 21,979,795 |
| | | | |
| | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2005

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-07

CONSOLIDATED STATEMENTS OF INCOME

- FROM JANUARY 01 TO JUNE 30, 2005 & 2004 -

(Thousand Pesos)

Final printing

| REF RT | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|-----------|--|--------------------------------------|-----|---------------------------------------|-----|
| | | Amount | % | Amount | % |
| 1 | OPERATING REVENUES | 40,174,038 | 100 | 31,708,458 | 100 |
| 2 | COST OF SALES AND SERVICES | 22,122,086 | 55 | 16,920,360 | 53 |
| 3 | GROSS INCOME | 18,051,952 | 45 | 14,788,098 | 47 |
| 4 | OPERATING COST | 7,082,388 | 18 | 4,693,964 | 15 |
| 5 | OPERATING INCOME | 10,969,564 | 27 | 10,094,134 | 32 |
| 6 | COMPREHENSIVE FINANCING COST | 573,053 | 1 | 1,719,906 | 5 |
| 7 | INCOME AFTER COMPREHENSIVE FINANCING COST | 10,396,511 | 26 | 8,374,228 | 26 |
| 8 | OTHER FINANCIAL OPERATIONS | 0 | 0 | 0 | 0 |
| 9 | | 10,396,511 | 26 | 8,374,228 | 26 |

| | | | | | |
|----|---|-----------|----|-----------|----|
| | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | | | | |
| 10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 3,652,558 | 9 | 3,769,950 | 12 |
| 11 | INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 6,743,953 | 17 | 4,604,278 | 15 |
| 12 | EQUITY IN RESULTS OF SUBSIDIARIES AND AFFILIATES | (23,654) | 0 | (12,524) | 0 |
| 13 | INCOME FROM CONTINUOUS OPERATIONS | 6,720,299 | 17 | 4,591,754 | 14 |
| 14 | INCOME FROM DISCONTINUOUS OPERATIONS, NET | 0 | 0 | 0 | 0 |
| 15 | NET INCOME BEFORE EXTRAORDINARY ITEMS | 6,720,299 | 17 | 4,591,754 | 14 |
| 16 | EXTRAORDINARY ITEMS NET EXPENDITURES (REVENUES) | 0 | 0 | 0 | 0 |
| 17 | NET EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES | 0 | 0 | 0 | 0 |
| 18 | NET INCOME | 6,720,299 | 17 | 4,591,754 | 14 |
| 19 | MINORITY INTEREST | 189,071 | 0 | 0 | 0 |
| 20 | MAJORITY INTEREST | 6,531,228 | 16 | 4,591,754 | 14 |
| | | | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2005

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 | 40,174,038 | 100 | 31,708,458 | 100 |
| 21 | DOMESTIC | 29,209,183 | 73 | 30,090,487 | 95 |
| 22 | FOREIGN | 10,964,855 | 27 | 1,617,971 | 5 |
| 23 | TRANSLATION INTO DOLLARS (***) | 1,048,680 | 3 | 134,475 | 0 |
| | | | | | |
| 6 | COMPREHENSIVE FINANCING COST | 573,053 | 100 | 1,719,906 | 100 |
| 24 | | | | | |