

TELEFONOS DE MEXICO S A DE C V  
Form 6-K  
April 28, 2006

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 **April 2006**

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: 1 YEAR: 2006

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-01

CONSOLIDATED BALANCE SHEETS

AT MARCH 31, 2006 & 2005

(Thousands of Mexican Pesos)

Final printing

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| REF<br>S | CONCEPTS                           | QUARTER OF<br>PRESENT |     | QUARTER OF<br>PREVIOUS |     |
|----------|------------------------------------|-----------------------|-----|------------------------|-----|
|          |                                    | FINANCIAL YEAR        |     | FINANCIAL YEAR         |     |
|          |                                    | Amount                | %   | Amount                 | %   |
| s01      | TOTAL ASSETS                       | 247,237,137           | 100 | 285,734,361            | 100 |
| s02      | CURRENT ASSETS                     | 47,812,396            | 19  | 79,438,074             | 28  |
| s03      | CASH AND SHORT-TERM<br>INVESTMENTS | 13,304,285            | 5   | 32,537,713             | 11  |

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|            |  |                    |            |                    |            |
|------------|--|--------------------|------------|--------------------|------------|
| s04        | ACCOUNTS AND NOTES RECEIVABLE (NET)                                  | 24,407,568         | 10         | 24,589,541         | 9          |
| s05        | OTHER ACCOUNTS AND NOTES RECEIVABLE (NET)                            | 7,027,316          | 3          | 11,273,882         | 4          |
| s06        | INVENTORIES  | 1,170,069          | 0          | 1,228,277          | 0          |
| s07        | OTHER CURRENT ASSETS   | 1,903,158          | 1          | 9,808,661          | 3          |
| s08        | LONG - TERM  | 1,052,305          | 0          | 464,570            | 0          |
| s09        | ACCOUNTS AND NOTES RECEIVABLE (NET)                                  | 0                  | 0          | 0                  | 0          |
| s10        | INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES | 1,045,319          | 0          | 227,357            | 0          |
| s11        | OTHER INVESTMENTS  | 6,986              | 0          | 237,213            | 0          |
| s12        | PROPERTY, PLANT AND EQUIPMENT (NET)                                  | 153,364,634        | 62         | 159,557,284        | 56         |
| s13        | LAND AND BUILDINGS   | 0                  | 0          | 0                  | 0          |
| s14        | MACHINERY AND INDUSTRIAL EQUIPMENT                                   | 446,201,279        | 180        | 442,953,956        | 155        |
| s15        | OTHER EQUIPMENT  | 0                  | 0          | 0                  | 0          |
| s16        | ACCUMULATED DEPRECIATION   | 301,707,215        | 122        | 288,629,127        | 101        |
| s17        | CONSTRUCTIONS IN PROGRESS  | 8,870,570          | 4          | 5,232,455          | 2          |
| s18        | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)                    | 14,652,396         | 6          | 11,478,977         | 4          |
| s19        | OTHER ASSETS   | 30,355,406         | 12         | 34,795,456         | 12         |
| <b>s20</b> | <b>TOTAL LIABILITIES</b>   | <b>132,000,807</b> | <b>100</b> | <b>168,821,874</b> | <b>100</b> |
| s21        | CURRENT LIABILITIES  | 34,764,818         | 26         | 63,028,166         | 37         |
| s22        | SUPPLIERS  | 0                  | 0          | 0                  | 0          |
| s23        | BANK LOANS   | 4,190,176          | 3          | 12,452,444         | 7          |
| s24        | STOCK MARKET LOANS   | 1,650,000          | 1          | 14,485,411         | 9          |
| s25        | TAXES PAYABLE  | 1,116,603          | 1          | 7,031,742          | 4          |
| s26        | OTHER CURRENT LIABILITIES  | 27,808,039         | 21         | 29,058,569         | 17         |
| s27        | LONG - TERM LIABILITIES  | 80,088,493         | 61         | 84,995,103         | 50         |
| s28        | BANK LOANS   | 40,523,243         | 31         | 44,714,983         | 26         |

|     |  |              |      |              |      |
|-----|--|--------------|------|--------------|------|
| s29 | STOCK MARKET LOANS                         | 39,565,250   | 30   | 40,280,120   | 24   |
| s30 | OTHER LOANS                                | 0            | 0    | 0            | 0    |
| s31 | DEFERRED LIABILITIES                       | 0            | 0    | 0            | 0    |
| s32 | OTHER NON CURRENT LIABILITIES              | 17,147,496   | 13   | 20,798,605   | 12   |
| s33 | CONSOLIDATED STOCKHOLDERS' EQUITY          | 115,236,330  | 100  | 116,912,487  | 100  |
| s34 | MINORITY INTEREST                          | 11,283,104   | 10   | 14,650,800   | 13   |
| s35 | MAJORITY INTEREST                          | 103,953,226  | 90   | 102,261,687  | 87   |
| s36 | CONTRIBUTED CAPITAL                        | 46,830,905   | 41   | 48,459,282   | 41   |
| s79 | CAPITAL STOCK (NOMINAL)                    | 27,272,373   | 24   | 28,900,750   | 25   |
| s39 | PREMIUM ON SALES OF SHARES                 | 19,558,532   | 17   | 19,558,532   | 17   |
| s40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0            | 0    | 0            | 0    |
| s41 | CAPITAL INCREASE (DECREASE)                | 57,122,321   | 50   | 53,802,405   | 46   |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVE      | 125,029,500  | 108  | 119,261,477  | 102  |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT     | (67,907,179) | (59) | (65,459,072) | (56) |
| s80 | SHARES REPURCHASED                         | 0            | 0    | 0            | 0    |

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## MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-02

CONSOLIDATED BALANCE SHEETS

- BREAKDOWN OF MAIN CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

| REF<br>S | CONCEPTS  | QUARTER OF<br>PRESENT |            | QUARTER OF<br>PREVIOUS |            |
|----------|---|-----------------------|------------|------------------------|------------|
|          |   | FINANCIAL YEAR        |            | FINANCIAL YEAR         |            |
|          |   | Amount                | %          | Amount                 | %          |
| s03      | CASH AND SHORT-TERM INVESTMENTS                   | 13,304,285            | 100        | 32,537,713             | 100        |
| s46      | CASH  | 2,309,064             | 17         | 2,169,315              | 7          |
| s47      | SHORT-TERM INVESTMENTS                            | 10,995,221            | 83         | 30,368,398             | 93         |
| s07      | OTHER CURRENT ASSETS                              | 1,903,158             | 100        | 9,808,661              | 100        |
| s81      | DERIVATIVE FINANCIAL INSTRUMENTS                  | 103,688               | 5          | 7,991,442              | 81         |
| s82      | DISCONTINUED OPERATIONS                           | 0                     | 0          | 0                      | 0          |
| s83      | OTHER   | 1,799,470             | 95         | 1,817,219              | 19         |
| s18      | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 14,652,396            | 100        | 11,478,977             | 100        |
| s48      | AMORTIZED OR REDEEMED EXPENSES                    | 5,326,507             | 36         | 3,458,128              | 30         |
| s49      | GOODWILL  | 9,325,889             | 64         | 8,020,849              | 70         |
| s51      | OTHERS  | 0                     | 0          | 0                      | 0          |
| s19      | OTHER ASSETS                                      | 30,355,406            | 100        | 34,795,456             | 100        |
| s84      | INTANGIBLE ASSET FROM LABOR OBLIGATIONS           | 21,975,807            | 72         | 26,455,272             | 76         |
| s85      | DERIVATIVE FINANCIAL INSTRUMENTS                  | 0                     | 0          | 0                      | 0          |
| s50      | DEFERRED TAXES                                    | 6,156,302             | 20         | 5,876,143              | 17         |
| s86      | DISCONTINUED OPERATIONS                           | 0                     | 0          | 0                      | 0          |
| s87      | OTHER   | 2,223,297             | 7          | 2,464,041              | 7          |
| s21      | <b>CURRENT LIABILITIES</b>                        | <b>34,764,818</b>     | <b>100</b> | <b>63,028,166</b>      | <b>100</b> |
| s52      |   | 3,390,176             | 10         | 26,082,176             | 41         |

|     |  |                    |            |                    |            |
|-----|--|--------------------|------------|--------------------|------------|
|     | FOREIGN CURRENCY LIABILITIES                     |                    |            |                    |            |
| s53 | MEXICAN PESOS LIABILITIES                        | 31,374,642         | 90         | 36,945,990         | 59         |
| s26 | OTHER CURRENT LIABILITIES                        | 27,808,039         | 100        | 29,058,569         | 100        |
| s88 | DERIVATIVE FINANCIAL INSTRUMENTS                 | 0                  | 0          | 0                  | 0          |
| s89 | INTEREST LIABILITIES                             | 0                  | 0          | 0                  | 0          |
| s68 | PROVISIONS                                       | 0                  | 0          | 0                  | 0          |
| s90 | DISCONTINUED OPERATIONS                          | 0                  | 0          | 0                  | 0          |
| s58 | OTHER CURRENT LIABILITIES                        | 27,808,039         | 100        | 29,058,569         | 100        |
| s27 | <b>LONG-TERM LIABILITIES</b>                     | <b>80,088,493</b>  | <b>100</b> | <b>84,995,103</b>  | <b>100</b> |
| s59 | FOREIGN CURRENCY LIABILITIES                     | 70,138,493         | 88         | 77,400,943         | 91         |
| s60 | MEXICAN PESOS LIABILITIES                        | 9,950,000          | 12         | 7,594,160          | 9          |
| s31 | DEFERRED LIABILITIES                             | 0                  | 0          | 0                  | 0          |
| s65 | GOODWILL   | 0                  | 0          | 0                  | 0          |
| s67 | OTHERS   | 0                  | 0          | 0                  | 0          |
| s32 | OTHER NON CURRENT LIABILITIES                    | 17,147,496         | 100        | 20,798,605         | 100        |
| s66 | DEFERRED TAXES                                   | 14,964,819         | 87         | 18,950,953         | 91         |
| s91 | OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE | 2,182,677          | 13         | 1,847,652          | 9          |
| s92 | DISCONTINUED OPERATIONS                          | 0                  | 0          | 0                  | 0          |
| s69 | OTHER LIABILITIES                                | 0                  | 0          | 0                  | 0          |
| s79 | CAPITAL STOCK                                    | 27,272,373         | 100        | 28,900,750         | 100        |
| s37 | CAPITAL STOCK (NOMINAL)                          | 268,078            | 1          | 268,078            | 1          |
| s38 | RESTATEMENT OF CAPITAL STOCK                     | 27,004,295         | 99         | 28,632,672         | 99         |
| s42 | <b>RETAINED EARNINGS AND CAPITAL RESERVES</b>    | <b>125,029,500</b> | <b>100</b> | <b>119,261,477</b> | <b>100</b> |

|      |   |              |     |              |        |
|------|---|--------------|-----|--------------|--------|
| s93  | LEGAL RESERVE   | 19,722,348   | 16  | 18,792,647   | 16     |
| s43  | RESERVE FOR<br>REPURCHASE OF SHARES                           | 0            | 0   | 0            | 0      |
| s94  | OTHER RESERVES  | 0            | 0   | 0            | 0      |
| s95  | RETAINED EARNINGS   | 97,714,048   | 78  | 93,738,731   | 79     |
| s45  | NET INCOME FOR THE<br>YEAR                                    | 7,593,104    | 6   | 6,730,099    | 6      |
| s44  | OTHER ACCUMULATED<br>COMPREHENSIVE RESULT                     | (67,907,179) | 100 | (65,459,072) | 100.00 |
| s70  | ACCUMULATED<br>MONETARY RESULT                                | (14,176,332) | 21  | (14,176,332) | 22     |
| s71  | RESULT FROM HOLDING<br>NON-MONETARY ASSETS                    | (58,734,379) | 86  | (57,729,640) | 88     |
| s96  | CUMULATIVE RESULT<br>FROM FOREIGN CURRENCY<br>TRANSLATION     | 3,538,561    | (5) | 5,313,359    | (8)    |
| s97  | CUMULATIVE RESULT<br>FROM DERIVATIVE<br>FINANCIAL INSTRUMENTS | 209,786      | 0   | 835,955      | (1)    |
| s98  | CUMULATIVE EFFECT OF<br>DEFERRED INCOME TAXES                 | 1,255,185    | (2) | 297,586      | 0      |
| s99  | LABOR OBLIGATION<br>ADJUSTMENT                                | 0            | 0   | 0            | 0      |
| s100 | OTHERS  | 0            | 0   | 0            | 0      |

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## MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-03

CONSOLIDATED BALANCE SHEETS

**- OTHER CONCEPTS -**

(Thousands of Mexican Pesos)



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| REF<br>S | CONCEPTS  | QUARTER OF<br>PRESENT | QUARTER OF<br>PREVIOUS |
|----------|---|-----------------------|------------------------|
|          |   | FINANCIAL<br>YEAR     | FINANCIAL YEAR         |
|          |   | Amount                | Amount                 |
| s72      | WORKING CAPITAL                                     | 13,047,578            | 16,409,908             |
| s73      | PENSIONS FUND AND<br>SENIORITY PREMIUMS             | 0                     | 0                      |
| s74      | EXECUTIVES (*)                                      | 118                   | 120                    |
| s75      | EMPLOYEES (*)                                       | 24,151                | 23,556                 |
| s76      | WORKERS (*)   | 51,257                | 51,766                 |
| s77      | OUTSTANDING SHARES<br>(*)                           | 21,446,265,270        | 23,311,445,750         |
| s78      | REPURCHASE OF OWN<br>SHARER(*)                      | 598,817,000           | 317,458,560            |
| s101     | RESTRICTED CASH                                     | 0                     | 0                      |
| s102     | DEBT WITH COST OF<br>AFFILIATES NON<br>CONSOLIDATED | 0                     | 0                      |

(\*) THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS.

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-04

CONSOLIDATED STATEMENTS OF INCOME

- FROM JANUARY 01 TO MARCH 31, 2006 & 2005 -

(Thousands of Mexican Pesos)

| REF<br>R | CONCEPTS   | QUARTER OF<br>PRESENT |     | QUARTER OF<br>PREVIOUS |     |
|----------|--|-----------------------|-----|------------------------|-----|
|          |  | FINANCIAL<br>YEAR     |     | FINANCIAL<br>YEAR      |     |
|          |  | Amount                | %   | Amount                 | %   |
| r01      | OPERATING REVENUES   | 41,555,513            | 100 | 41,725,673             | 100 |
| r02      | COST OF SALES AND SERVICES   | 21,730,035            | 52  | 22,408,442             | 54  |
| r03      | GROSS INCOME   | 19,825,478            | 48  | 19,317,231             | 46  |
| r04      | OPERATING EXPENSES   | 7,026,177             | 17  | 6,775,452              | 16  |
| r05      | OPERATING INCOME   | 12,799,301            | 31  | 12,541,779             | 30  |
| r06      | COMPREHENSIVE FINANCING COST   | 984,235               | 2   | 1,007,689              | 2   |
| r07      | INCOME AFTER COMPREHENSIVE FINANCING COST                            | 11,815,066            | 28  | 11,534,090             | 28  |
| r08      | OTHER EXPENSES AND INCOMES (NET)                                     | 0                     | 0   | 0                      | 0   |
| r44      | SPECIAL ITEMS  | 0                     | 0   | 0                      | 0   |
| r09      | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING                 | 11,815,066            | 28  | 11,534,090             | 28  |
| r10      | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING                | 3,980,935             | 10  | 4,565,459              | 11  |
| r11      | NET INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING              | 7,834,131             | 19  | 6,968,631              | 17  |
| r12      | EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES | 61,676                | 0   | (20,632)               | 0   |
|          |  |                       |     |                        |     |

|     |  |           |    |           |    |
|-----|--|-----------|----|-----------|----|
| r13 | CONSOLIDATED NET INCOME OF CONTINUING OPERATIONS   | 7,895,807 | 19 | 6,947,999 | 17 |
| r14 | INCOME FROM DISCONTINUED OPERATIONS (NET)          | 0         | 0  | 0         | 0  |
| r15 | CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS | 7,895,807 | 19 | 6,947,999 | 17 |
| r16 | EXTRAORDINARY ITEMS, NET EXPENSE (INCOME)          | 0         | 0  | 0         | 0  |
| r17 | NET EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES     | 0         | 0  | 0         | 0  |
| r18 | NET INCOME   | 7,895,807 | 19 | 6,947,999 | 17 |
| r19 | NET INCOME OF MINORITY INTEREST                    | 302,703   | 1  | 217,900   | 1  |
| r20 | NET INCOME OF MAJORITY INTEREST                    | 7,593,104 | 18 | 6,730,099 | 16 |

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MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-05

CONSOLIDATED STATEMENTS OF INCOME

**- BREAKDOWN OF MAIN CONCEPTS -**

(Thousands of Mexican Pesos)

Final printing

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| REF<br>R | CONCEPTS   | QUARTER OF<br>PRESENT<br>FINANCIAL<br>YEAR |                    | QUARTER OF<br>PREVIOUS<br>FINANCIAL<br>YEAR |      |
|----------|--|--|--------------------|---|------|
|          |  | Amount                                     | %                  | Amount                                      | %    |
|          |  | r01  | OPERATING REVENUES | 41,555,513                                  | 100  |
| r21      | DOMESTIC   | 29,479,892                                 | 71                 | 31,157,235                                  | 75   |
| r22      | FOREIGN  | 12,075,621                                 | 29                 | 10,568,438                                  | 25   |
| r23      | TRANSLATION INTO DOLLARS (***)                       | 1,102,696                                  | 3                  | 874,851                                     | 2    |
| r06      | COMPREHENSIVE FINANCING COST                         | 984,235                                    | 100                | 1,007,689                                   | 100  |
| r24      | INTEREST EXPENSE                                     | 1,313,377                                  | 133                | 1,674,926                                   | 166  |
| r42      | LOSS (GAIN) ON RESTATEMENT OF UDI'S                  | 0  | 0                  | 0   | 0    |
| r45      | OTHER FINANCIAL COSTS                                | 0  | 0                  | 0   | 0    |
| r26      | INTEREST INCOME                                      | 564,838                                    | 57                 | 814,719                                     | 81   |
| r46      | OTHER FINANCIAL PRODUCTS                             | 0  | 0                  | 0   | 0    |
| r25      | FOREIGN EXCHANGE LOSS (GAIN) (NET)                   | 835,149                                    | 85                 | 660,191                                     | 66   |
| r28      | RESULT FROM MONETARY POSITION                        | (599,453)                                  | (61)               | (512,709)                                   | (51) |
| r10      | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 3,980,935                                  | 100                | 4,565,459                                   | 100  |
| r32      | INCOME TAX   | 4,018,548                                  | 101                | 4,454,918                                   | 98   |
| r33      | DEFERRED INCOME TAX                                  | (826,175)                                  | (21)               | (999,241)                                   | (22) |
| r34      | EMPLOYEE PROFIT SHARING                              | 788,562                                    | 20                 | 1,109,782                                   | 24   |
| r35      |  | 0  | 0                  | 0   | 0    |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  | DEFERRED<br>EMPLOYEE PROFIT<br>SHARING |  |  |  |  |
|--|--|--|--|--|--|

(\*\*\*) THOUSAND DOLLARS

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-06

CONSOLIDATED STATEMENTS OF INCOME

- OTHER CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>R | CONCEPTS                                  | QUARTER OF<br>PRESENT<br>FINANCIAL<br>YEAR | QUARTER OF<br>PREVIOUS<br>FINANCIAL<br>YEAR |
|----------|---|--|---|
|          |   | Amount                                     | Amount                                      |
| r36      | TOTAL REVENUES                            | 41,555,513                                 | 41,725,673                                  |
| r37      | TAX RESULT FOR THE YEAR                   | 0  | 0   |
| r38      | OPERATING REVENUES (**)                   | 167,813,040                                | 159,930,895                                 |
| r39      | OPERATING INCOME (**)                     | 56,222,671                                 | 48,680,665                                  |
| r40      | NET INCOME OF MAJORITY<br>INTEREST (**)   | 29,913,631                                 | 30,221,753                                  |
| r41      | NET INCOME (**)                           | 30,842,661                                 | 30,804,056                                  |
| r47      | OPERATIVE DEPRECIATION<br>AND ACCUMULATED | 5,459,677                                  | 6,251,428                                   |
|          |   |  |   |
|          |   |  |   |

|      |  |  |  |
|------|--|--|--|
| (**) | INFORMATION OF THE PAST<br>TWELVE MONTHS |  |  |
|------|--|--|--|

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## MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-07

## CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

- FROM JANUARY 01 TO MARCH 31, 2006 &amp; 2005 -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>RT | CONCEPTS                                     | QUARTER OF<br>PRESENT |     | QUARTER OF<br>PREVIOUS |     |
|-----------|--|-----------------------|-----|------------------------|-----|
|           |  | FINANCIAL YEAR        |     | FINANCIAL YEAR         |     |
|           |  | Amount                | %   | Amount                 | %   |
| rt01      | OPERATING REVENUES                           | 41,555,513            | 100 | 41,725,673             | 100 |
| rt02      | COST OF SALES AND SERVICES                   | 21,730,035            | 52  | 22,408,442             | 54  |
| rt03      | GROSS INCOME                                 | 19,825,478            | 48  | 19,317,231             | 46  |
| rt04      | OPERATING EXPENSES                           | 7,026,177             | 17  | 6,775,452              | 16  |
| rt05      | OPERATING INCOME                             | 12,799,301            | 31  | 12,541,779             | 30  |
| rt06      | COMPREHENSIVE FINANCING<br>COST              | 984,235               | 2   | 1,007,689              | 2   |
| rt07      | INCOME AFTER COMPREHENSIVE<br>FINANCING COST | 11,815,066            | 28  | 11,534,090             | 28  |
| rt08      | OTHER EXPENSES AND INCOMES<br>(NET)          | 0                     | 0   | 0                      | 0   |
| rt44      | SPECIAL ITEMS                                | 0                     | 0   | 0                      | 0   |
| rt09      |  | 11,815,066            | 28  | 11,534,090             | 28  |

|      |  |           |    |           |    |
|------|--|-----------|----|-----------|----|
|      | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING                 |           |    |           |    |
| rt10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING                | 3,980,935 | 10 | 4,565,459 | 11 |
| rt11 | NET INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING              | 7,834,131 | 19 | 6,968,631 | 17 |
| rt12 | EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES | 61,676    | 0  | (20,632)  | 0  |
| rt13 | CONSOLIDATED NET INCOME OF CONTINUING OPERATIONS                     | 7,895,807 | 19 | 6,947,999 | 17 |
| rt14 | INCOME FROM DISCONTINUED OPERATIONS (NET)                            | 0         | 0  | 0         | 0  |
| rt15 | CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS                   | 7,895,807 | 19 | 6,947,999 | 17 |
| rt16 | EXTRAORDINARY ITEMS, NET EXPENSE (INCOME)                            | 0         | 0  | 0         | 0  |
| rt17 | NET EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES                       | 0         | 0  | 0         | 0  |
| rt18 | NET INCOME   | 7,895,807 | 19 | 6,947,999 | 17 |
| rt19 | NET INCOME OF MINORITY INTEREST                                      | 302,703   | 1  | 217,900   | 1  |
| rt20 | NET INCOME OF MAJORITY INTEREST                                      | 7,593,104 | 18 | 6,730,099 | 16 |

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-08

CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

- BREAKDOWN OF MAIN CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

| REF<br>RT | CONCEPTS   | QUARTER OF<br>PRESENT<br>FINANCIAL<br>YEAR |      | QUARTER OF<br>PREVIOUS<br>FINANCIAL<br>YEAR |      |
|-----------|--|--|------|---|------|
|           |  | Amount                                     | %    | Amount                                      | %    |
| rt01      | OPERATING REVENUES   | 41,555,513                                 | 100  | 41,725,673                                  | 100  |
| rt21      | DOMESTIC   | 29,479,892                                 | 71   | 31,157,235                                  | 75   |
| rt22      | FOREIGN  | 12,075,621                                 | 29   | 10,568,438                                  | 25   |
| rt23      | TRANSLATION INTO<br>DOLLARS (***)                          | 1,102,696                                  | 3    | 874,851                                     | 2    |
|           |  |  |      |   |      |
| rt06      | COMPREHENSIVE<br>FINANCING COST                            | 984,235                                    | 100  | 1,007,689                                   | 100  |
| rt24      | INTEREST EXPENSE   | 1,313,377                                  | 133  | 1,674,926                                   | 166  |
| rt42      | LOSS (GAIN) ON<br>RESTATEMENT OF UDI'S                     | 0  | 0    | 0   | 0    |
| rt45      | OTHER FINANCIAL<br>COSTS                                   | 0  | 0    | 0   | 0    |
| rt26      | INTEREST INCOME  | 564,838                                    | 57   | 814,719                                     | 81   |
| rt46      | OTHER FINANCIAL<br>PRODUCTS                                | 0  | 0    | 0   | 0    |
| rt25      | FOREIGN EXCHANGE<br>LOSS (GAIN) (NET)                      | 835,149                                    | 85   | 660,191                                     | 66   |
| rt28      | RESULT FROM<br>MONETARY POSITION                           | (599,453)                                  | (61) | (512,709)                                   | (51) |
|           |  |  |      |   |      |
| rt10      | PROVISION FOR INCOME<br>TAX AND EMPLOYEE<br>PROFIT SHARING | 3,980,935                                  | 100  | 4,565,459                                   | 100  |
| rt32      | INCOME TAX   | 4,018,548                                  | 101  | 4,454,918                                   | 98   |
| rt33      | DEFERRED INCOME TAX  | (826,175)                                  | (21) | (999,241)                                   | (22) |
| rt34      | EMPLOYEE PROFIT<br>SHARING                                 | 788,562                                    | 20   | 1,109,782                                   | 24   |
| rt35      | DEFERRED EMPLOYEE<br>PROFIT SHARING                        | 0  | 0    | 0   | 0    |
|           |  |  |      |   |      |



(\*\*\*) THOUSAND DOLLARS

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-09

CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

- OTHER CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>RT | CONCEPTS  | QUARTER OF<br>PRESENT<br>FINANCIAL<br>YEAR | QUARTER OF<br>PREVIOUS<br>FINANCIAL YEAR |
|-----------|---|--|--|
|           |   | Amount                                     | Amount                                   |
| rt47      | OPERATIVE DEPRECIATION AND ACCUMULATED<br>IMPAIRMENT LOSSES | 5,459,677                                  | 6,251,428                                |
|           |   |  |  |

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-10

## CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

- FROM JANUARY 01 TO MARCH 31, 2006 &amp; 2005 -

(Thousands of Mexican Pesos)

Final printing

| REF<br>C | CONCEPTS  | QUARTER OF<br>PRESENT<br>FINANCIAL<br>YEAR | QUARTER OF<br>PREVIOUS<br>FINANCIAL<br>YEAR |
|----------|---|--|---|
|          |   | Amount                                     | Amount                                      |
| c01      | NET INCOME  | 7,895,807                                  | 6,947,999                                   |
| c02      | (+)(-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING RESOURCES | 5,294,834                                  | 5,851,189                                   |
| c03      | CASH FLOW FROM NET INCOME FOR THE YEAR                            | 13,190,641                                 | 12,799,188                                  |
| c04      | CASH FLOW FROM CHANGES IN WORKING CAPITAL                         | (3,995,420)                                | (3,504,888)                                 |
| c05      | RESOURCES PROVIDED BY (USED FOR) OPERATING ACTIVITIES             | 9,195,221                                  | 9,294,300                                   |
| c06      | RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES    | (5,885,038)                                | 14,921,900                                  |
| c07      | RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES    | (9,494,967)                                | (6,002,671)                                 |
| c08      | RESOURCES PROVIDED BY (USED FOR) FINANCING ACTIVITIES             | (15,380,005)                               | 8,919,229                                   |
| c09      | RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES            | (3,940,177)                                | (7,761,608)                                 |
| c10      | NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS        | (10,124,961)                               | 10,451,921                                  |
| c11      | CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD        | 23,429,246                                 | 22,085,792                                  |
| c12      |   | 13,304,285                                 | 32,537,713                                  |

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

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-11

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

- BREAKDOWN OF MAIN CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>C | CONCEPTS  | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|---|-----------------------------------|------------------------------------|
|          |   | Amount                            | Amount                             |
| c02      | +(-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING RESOURCES | 5,294,834                         | 5,851,189                          |
| c13      | DEPRECIATION AND AMORTIZATION FOR THE YEAR                      | 6,023,076                         | 6,829,797                          |
| c41      | +(-) OTHER ITEMS  | (728,242)                         | (978,608)                          |
| c04      | CASH FLOW FROM CHANGES IN WORKING CAPITAL                       | (3,995,420)                       | (3,504,888)                        |
| c18      | +(-) DECREASE (INCREASE) IN ACCOUNT RECEIVABLE                  | (302,164)                         | 1,458,848                          |
| c19      | +(-) DECREASE (INCREASE) IN INVENTORIES                         | (358,253)                         | 232,156                            |
| c20      |   | (1,361,880)                       | (3,075,707)                        |

|     |   |              |             |
|-----|---|--------------|-------------|
|     | +(-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLE AND OTHER ASSETS |              |             |
| c21 | +(-) INCREASE (DECREASE) IN SUPPLIERS ACCOUNT                         | 0            | 0           |
| c22 | +(-) INCREASE (DECREASE) IN OTHER LIABILITIES                         | (1,973,123)  | (2,120,185) |
| c06 | RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES        | (5,885,038)  | 14,921,900  |
| c23 | + BANK FINANCING  | 4,671,531    | 22,036,664  |
| c24 | + STOCK MARKET FINANCING  | 128,023      | 32,845      |
| c25 | + DIVIDEND RECEIVED   | 0            | 0           |
| c26 | + OTHER FINANCING   | 951,484      | 0           |
| c27 | (-) BANK FINANCING AMORTIZATION                                       | (11,550,385) | (6,278,494) |
| c28 | (-) STOCK MARKET FINANCING AMORTIZATION                               | (85,691)     | (159,255)   |
| c29 | (-) OTHER FINANCING AMORTIZATION                                      | 0            | (709,860)   |
| c42 | + (-) OTHER ITEMS   | 0            | 0           |
| c07 | RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES        | (9,494,967)  | (6,002,671) |
| c30 | + (-) INCREASE (DECREASE) IN CAPITAL STOCK                            | (522,414)    | (316,906)   |
| c31 | (-) DIVIDENDS PAID  | (2,045,959)  | (2,123,255) |
| c32 | + PREMIUM ON SALE OF SHARES   | 0            | 0           |
| c33 | + CONTRIBUTION FOR FUTURE CAPITAL INCREASES                           | (6,926,594)  | (3,562,510) |
| c43 | + (-) OTHER ITEMS   | 0            | 0           |
| c09 | RESOURCES PROVIDED BY (USED FOR ) INVESTMENT ACTIVITIES               | (3,940,177)  | (7,761,608) |
| c34 | +(-) DECREASE (INCREASE) IN STOCK INVESTMENTS OF PERMANENT NATURE     | (650,993)    | (4,024,208) |
| c35 | (-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT                      | (3,597,141)  | (3,255,930) |
| c36 | (-) INCREASE IN CONSTRUCTIONS IN PROGRESS                             | 0            | 0           |
| c37 | + SALE OF OTHER PERMANENT INVESTMENT                                  | 0            | 0           |
| c38 | + SALE OF TANGIBLE FIXED ASSETS                                       | 0            | 0           |

|     |                   |         |           |
|-----|-------------------|---------|-----------|
| c39 | + (-) OTHER ITEMS | 307,957 | (481,470) |
|-----|-------------------|---------|-----------|

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## MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FI-01

DATA PER SHARE

- CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>D | CONCEPTS  | QUARTER OF<br>PRESENT<br>FINANCIAL YEAR |  | QUARTER OF<br>PREVIOUS<br>FINANCIAL YEAR |  |
|----------|---|---|--|--|--|
|          |   | Amount                                  |  | Amount                                   |  |
| d01      | BASIC INCOME PER ORDINARY SHARE<br>(**)   | \$1.39                                  |  | \$1.30                                   |  |
| d02      | BASIC INCOME PER PREFERENT SHARE<br>(**)  | \$0.00                                  |  | \$0.00                                   |  |
| d03      | DILUTED INCOME PER ORDINARY SHARE<br>(**)   | \$0.00                                  |  | \$0.00                                   |  |
| d04      | INCOME FROM CONTINUOUS<br>OPERATIONS PER ORDINARY SHARE (**)  | \$1.39                                  |  | \$1.30                                   |  |
| d05      | EFFECT OF DISCONTINUOUS OPERATIONS<br>ON INCOME FROM CONTINUOUS<br>OPERATIONS PER ORDINARY SHARE (**) | \$0.00                                  |  | \$0.00                                   |  |
| d06      | EFFECT OF EXTRAORDINARY INCOME ON<br>INCOME FROM CONTINUOUS OPERATIONS<br>PER ORDINARY SHARE (**)     | \$0.00                                  |  | \$0.00                                   |  |

|     |   |        |        |        |        |
|-----|---|--------|--------|--------|--------|
| d07 | EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES ON INCOME FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | \$0.00 |        | \$0.00 |        |
| d08 | CARRYING VALUE PER SHARE  | \$4.85 |        | \$4.39 |        |
| d09 | ACUMULATED CASH DIVIDEND PER SHARE  | \$0.10 |        | \$0.09 |        |
| d10 | SHARE DIVIDENDS PER SHARE   | 0.00   | shares | 0.00   | shares |
| d11 | MARKET PRICE TO CARRYING VALUE  | 2.54   | times  | 2.28   | times  |
| d12 | MARKET PRICE TO BASIC INCOME PER ORDINARY SHARE (**)  | 8.86   | times  | 7.69   | times  |
| d13 | MARKET PRICE TO BASIC INCOME PER PREFERENT SHARE (**)   | 0.00   | times  | 0.00   | times  |

(\*\*) INFORMATION OF THE PAST TWELVE MONTHS

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FI-02

RATIOS

- CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>P | CONCEPTS | QUARTER OF<br>PRESENT<br>FINANCIAL<br>YEAR | QUARTER OF<br>PREVIOUS<br>FINANCIAL<br>YEAR |
|----------|----------|--|---|
|----------|----------|--|---|

## Edgar Filing: TELEFONOS DE MEXICO S A DE C V - Form 6-K

|     |  |        |       |        |       |
|-----|--|--------|-------|--------|-------|
|     | YIELD  |        |       |        |       |
| p01 | NET INCOME TO OPERATING REVENUES                     | 19.00% |       | 16.65% |       |
| p02 | NET INCOME TO STOCKHOLDERS' EQUITY (**)              | 28.77% |       | 29.55% |       |
| p03 | NET INCOME TO TOTAL ASSETS ( **)                     | 12.47% |       | 10.78% |       |
| p04 | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME           | 7.04%  |       | 7.40%  |       |
| p05 | INCOME DUE TO MONETARY POSITION TO NET INCOME        | 7.59%  |       | 7.37%  |       |
|     | ACTIVITY   |        |       |        |       |
| p06 | OPERATING REVENUES TO TOTAL ASSETS (**)              | 0.67   | times | 0.55   | times |
| p07 | OPERATING REVENUES TO FIXED ASSETS (**)              | 1.09   | times | 1.0    | times |
| p08 | INVENTORIES ROTATION (**)                            | 79.84  | times | 54.00  | times |
| p09 | ACCOUNTS RECEIVABLE IN DAYS OF SALES                 | 45.96  | days  | 46.12  | days  |
| p10 | INTEREST PAID TO TOTAL LIABILITIES WITH COST (**)    | 0.09%  |       | 6.62%  |       |
|     | LEVERAGE   |        |       |        |       |
| p11 | TOTAL LIABILITIES TO TOTAL ASSETS                    | 53.39% |       | 59.08% |       |
| p12 | TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY            | 1.14   | times | 1.44   | times |
| p13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES    | 55.70% |       | 61.29% |       |
| p14 | LONG-TERM LIABILITIES TO FIXED ASSETS                | 52.22% |       | 53.26% |       |
| p15 | OPERATING INCOME TO INTEREST PAID                    | 9.74   | times | 7.48   | times |
| p16 | OPERATING REVENUES TO TOTAL LIABILITIES (**)         | 1.27   | times | 0.94   | times |
|     | LIQUIDITY  |        |       |        |       |
| p17 | CURRENT ASSETS TO CURRENT LIABILITIES                | 1.37   | times | 1.26   | times |
| p18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 1.34   | times | 1.24   | times |
| p19 | CURRENT ASSETS TO TOTAL LIABILITIES                  | 0.36   | times | 0.47   | times |
| p20 |  | 38.26% |       | 51.62% |       |

|     |  |        |       |         |       |
|-----|--|--------|-------|---------|-------|
|     | AVAILABLE ASSETS TO CURRENT LIABILITIES  |        |       |         |       |
|     | STATEMENT OF CHANGES IN FINANCIAL POSITION   |        |       |         |       |
| p21 | CASH FLOW FROM NET INCOME TO OPERATING REVENUES  | 31.74% |       | 30.67%  |       |
| p22 | CASH FLOW FROM CHANGES IN WORKING CAPITAL TO OPERATING REVENUES  | -9.61% |       | -8.39%  |       |
| p23 | RESOURCES PROVIDED BY OPERATING ACTIVITIES TO INTEREST PAID  | 7.00   | times | 5.54    | times |
| p24 | EXTERNAL FINANCING TO RESOURCES PROVIDED BY (USED FOR) FINANCING                                       | 38.26% |       | 167.30% |       |
| p25 | INTERNAL FINANCING TO RESOURCES PROVIDED BY (USED FOR) FINANCING                                       | 61.73% |       | -67.30% |       |
| p26 | ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT TO RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES | 91.29% |       | 41.94%  |       |

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MEXICAN STOCK EXCHANGE

[Index](#)

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 1

CHIEF EXECUTIVE OFFICER REPORT

Consolidated

Final printing

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Highlights

4.5 billion pesos Senior Notes:

In January 2006, in financial markets outside of Mexico, TELMEX sold 4.5 billion pesos of 8.75% Senior Notes due



2016.

#### Shareholders' Meetings:

On March 8, the Board of Directors resolved to: (i) call for the Ordinary Shareholders' Meeting to be held on March 30, 2006, to submit a proposal to increase by 15 billion Mexican pesos the funds to purchase the company's own shares; (ii) call for the Special Shareholders' Meeting to be held on April 27, 2006, in order to discuss the designation of Board Members to be appointed by holders of Series "L" Shares; and (iii) call for the Annual Shareholders' Meeting to be held on April 27, 2006, in order to discuss, among other matters, the approval of the Board of Directors report and financial statements for fiscal year 2005; the ratification of the activities of the Board of Directors; the designation or ratification, as the case may be, of the members of the Board of Directors, and to submit the proposal to declare a cash dividend of \$0.41 Mexican pesos per outstanding share in four equal payments of \$0.1025 Mexican pesos per share from the net tax profit account. The proposed dividend payments are to be made in Mexico on June 22, 2006, September 21, 2006, December 21, 2006, and March 22, 2007.

#### Increase of funds to purchase the company's own shares:

On March 30, 2006, The Ordinary Shareholders' Meeting resolved to increase the amount of funds that can be allocated to purchase the company's own shares by 15 billion pesos. At that date, the balance was approximately 15,215 million pesos.

#### Acquisition of equity interest in CANTV:

On April 3, 2006, TELMEX and América Móvil announced that through an equally owned joint venture they entered into an agreement with Verizon Communications, Inc. ("Verizon") to acquire Verizon's equity interest in Compañía Anónima Nacional Teléfonos de Venezuela (CANTV) for an aggregate purchase price of US\$676.6 million in cash. The purchase price represents US\$3.01 per ordinary CANTV share held by Verizon (or \$21.10 per CANTV American Depositary Share held by Verizon. The joint venture will acquire Verizon's equity stake in CANTV indirectly through the purchase of a Verizon subsidiary holding company that holds all the CANTV ordinary shares and American Depositary Shares owned by Verizon. Verizon's equity stake in CANTV represents approximately 28.51% of the outstanding capital stock of CANTV. The purchase is subject to regulatory approvals and other conditions.

#### Consolidated Income Statements

Revenues: In the first quarter, revenues from Teléfonos de México and its subsidiaries in Mexico and Latin America totaled 41,555 million pesos, 0.4% lower than the same period of 2005. The decrease was mainly due to lower revenues from calling party pays, measured service and international long distance. Of total consolidated revenues, voice revenues represented 76.9% and data transmission revenues represented 19.1%.

#### Costs and expenses:

Costs and expenses in the first quarter totaled 28,756 million pesos, 1.5% lower than the same period of the previous year, mainly due to the decrease of interconnection costs as a result of the 10% reduction in the calling party pays rate and lower costs related to depreciation and amortization, international settlement, and prepaid cards.

EBITDA (1) and operating income:

EBITDA (1) totaled 18,822 million pesos in the first quarter, a decrease of 2.8% compared with the same period of 2005. The EBITDA margin was 45.3%, 1.1 percentage point lower than the first quarter of 2005. Operating income totaled 12,799 million pesos, 2% higher than the first quarter of 2005. The operating margin was 30.8%, 0.7 percentage point higher than the operating margin in the first quarter of the previous year.

Comprehensive financing cost

: Comprehensive financing cost was 984 million pesos in the quarter compared with 1,008 million pesos in the first quarter of 2005. This result was due to: (i) a decrease of 13% in net interest because of a lower cost of debt, (ii) a higher exchange loss from the impact of the first-quarter's exchange rate variation of 0.24 pesos per dollar; partially offset by the gain that hedges produced; and (iii) a gain in the monetary position of 599 million pesos during the quarter.

Majority net income

: Majority net income totaled 7,593 million pesos in the first quarter, 12.8% higher than the same period of the previous year due to lower comprehensive financing cost and its effect on taxes. Earnings per share in the first quarter, based on the number of shares outstanding at March 31, 2006 (21,446,265,270 shares) was 0.35 pesos per share compared with 0.29 pesos per share in the same period of 2005 and earnings per ADR were 0.65 dollars compared with 0.48 dollars in last year's first quarter.

Investments:

In the first quarter, consolidated investment was the equivalent of 318 million dollars, of which 76.1% was used for growth and modernization projects, 11.7% for operational support projects, 8.7% for operational needs and for 3.5% social telephony

Repurchase of shares:

During the quarter, the company used 7,449 million pesos to repurchase 598,817,000 of its own shares.

Debt:

Gross total debt at March 31 was the equivalent of 7.847 billion dollars, a reduction of 645 million dollars compared with the fourth quarter of 2005. Of total gross debt, 6.8% is short-term, 84.9% is in foreign

currency that is fully hedged for the amount of 6.909 billion dollars of which 92.9% is related to hedges of dollars to pesos and the rest to hedges of dollars to reals. Also, 47.5% of gross total debt carries a fixed rate and by adding interest rate swaps for 15,900 million pesos at March 31, 2006 the percentage increases to 66%.

At March 31, 2006, the company's consolidated net debt (3) increased the equivalent of 302 million dollars during the quarter to a total of 6.622 billion dollars.

## MEXICO Operating Results

### Fixed lines in service

From January to March, 276 thousand fixed lines were added, reflecting 444 thousand connections and 168 thousand disconnections, bringing the total to 18 million 650 thousand fixed lines in service, an annual increase of 6.4%. It is important to mention that of total fixed residential lines in service that pay monthly rent, 58.4% of these lines do not make more than 100 calls that are included in the monthly rent. Additionally, we have 1.9 million prepaid lines that do not have fixed monthly rent and only pay for the calls they make.

### Local traffic

During the quarter, 6,653 million local calls were made, an increase of 0.2% compared with the first quarter of the previous year. The low growth in local calls was primarily due to intense competition from local and cellular operators.

### Long distance traffic

In the first quarter, domestic long distance traffic rose to 4,374 million minutes, an increase of 1.8% compared with the same period of last year. International long distance outgoing minutes in the quarter totaled 467 million, an increase of 7% compared with the same period of the previous year. In the first quarter, incoming international long distance minutes totaled 1,650 million, an increase of 33%. The incoming-outgoing ratio was 3.5 in the first quarter and 2.8 in the same period of 2005.

### Interconnection

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Interconnection traffic totaled 9,015 million minutes in the quarter, 7.7% more than in the same period of the previous year. In the first quarter, calling party pays traffic increased 2.3% from a year ago. In the first quarter, traffic originated by the cellular system and terminated on TELMEX's network increased 7.4% compared with the same period of the previous year. Interconnection traffic generated by local and long distance operators increased 9.4%.

### Corporate networks

From January to March billed line equivalents\* in the corporate data transmission market increased 31.8% compared with the same quarter of 2005, reaching 2.1 million billed line equivalents.

\*Billed line equivalents of 64 Kbps.

### Internet

In the first quarter, high speed Prodigy Infinitum service (ADSL) totaled 1 million 213 thousand customers, 82.4% higher than the same period of 2005. During the first quarter, 180 thousand Infinitum accounts were added. Total Internet access accounts including Prodigy Infinitum and dial-up were 2 million 237 thousand in the quarter, 20.6% higher than the first quarter of 2005.

## Mexico Financial Results

### Revenues:

In the first quarter, revenues from operations in Mexico totaled 30,298 million pesos, 2.3% lower than the same period of the previous year, mainly due to lower calling party pays and local revenues.

- Local:

Local revenues totaled 13,736 million pesos, an annual decrease of 2.8% due to the decline in the average price of measured service of 6% in real terms, which was not offset by the increase in fixed lines.

- DLD:

DLD revenues were 4,304 million pesos, a decrease of 0.8% compared with the same period of 2005, reflecting a decrease of 2.2% in average price per minute in real terms offset by DLD traffic growth of 1.8%.

- ILD:

ILD revenues decreased 1.4% in the quarter compared with the same period of 2005, totaling 2,481 million pesos. ILD revenues from incoming traffic were 1,586 million pesos, 4.9% lower than the same period of 2005. The decline in the average price of 11.2% in real terms was not offset by ILD traffic growth of 7%.

International settlement revenues totaled 894 million pesos, an increase of 5.3% compared with the first quarter of the previous year.

- Interconnection:

Interconnection revenues in the first quarter were 3,891 million pesos, a decrease of 13.6%. Since January, the calling party pays rate decreased 10% to 2.03 pesos per minute, 76% of which goes to the cellular companies. Additionally, the interconnection rate for long distance operators decreased 12.6% in peso terms in part because of the exchange rate.

- Corporate networks:

Revenues from services related to data transmission through private and managed networks totaled 2,584 million pesos in the first quarter, an increase of 2.7% due to more billed line equivalents in service compared with the first quarter of the previous year.

- Internet:

Revenues from services related to the Internet platform rose 12.1% in the first quarter to 2,155 million pesos due to the increase in the number of Prodigy Infinitum (ADSL) customers.

Costs and expenses:

In the first quarter, total costs and expenses from the operations in Mexico were 18,965 million pesos, a decrease of 3.5% compared with the same period of the previous year. This decrease was due to lower cost of sales and services, lower interconnection costs related to the calling party pays rate, and lower depreciation and amortization charges.

- Cost of sales and services:

In the first quarter, cost of sales and services totaled 6,975 million pesos, a decrease of 0.1% resulting from efforts directed at improving operations and use of resources, which have reduced costs related to materials and international settlement. Excluding the change in accounting policy for PC's sold in 2005, these costs would have decreased 1.7%

- Commercial, administrative and general:

Commercial, administrative and general expenses increased 3.3% to 4,642 million pesos in the first quarter due to higher advertising and systems expenses.

- Transport and interconnection:

In the first quarter, transport and interconnection costs totaled 2,811 million pesos, a decrease of 9.1% due to the reduction of the calling party pays rate, the main component of this item.

- Depreciation and amortization:

In the quarter, depreciation and amortization decreased 10.9% to 4,537 million pesos due to a lower level of assets to be depreciated and less impact from restatement of the value of fixed assets.

#### EBITDA (1) and operating income

: EBITDA (1) totaled 15,870 million pesos in the first quarter, a decrease of 3.6%. The EBITDA margin was 52.4%; a decrease of 0.6 percentage point compared with the first quarter of 2005. Operating income totaled 11,333 million pesos, 0.3% lower than the first quarter of 2005, and the operating margin was 37.4%, 0.8 percentage point higher than the first quarter of 2005.

#### Investments:

In Mexico total investments were 136 million dollars, of which 71.8% was used for growth and modernization projects, 18% for operational support projects, 8.1% for social telephony and 2.1% for operating needs.

#### Debt:

In the first quarter, gross total debt was the equivalent of 7.107 billion dollars, a decrease of 693 million dollars. Of total gross debt, 5.5% is short-term, 84.1% is in foreign currency that is fully hedged, and 47% carries a fixed rate (67.4% considering interest rate swaps).

At March 31, 2006 net debt (3) in Mexico increased the equivalent of 256 million dollars during the quarter to a total of 6.162 billion dollars.

#### Latin America Financial Results

The following financial information is presented in the local currency of the country in which each Latin American subsidiary operates, according to each country's generally accepted accounting principles, and is based on continuing operations before eliminating inter-company operations among companies of the TELMEX Group.

#### Brazil

In the first quarter, revenues totaled 2,037 million reais, an increase of 5.2% compared with the same period of the previous year. Costs and expenses in the quarter increased 3%, totaling 1,792 million reais. During the quarter, Embratel signed a commercial agreement with Net Serviços de Comunicação to offer voice, data and video services in one package. This service was launched March 21 and by March 31 had sold 6,500 packages. Embratel also increased its corporate data customer base, reaching 1.8 million 64 Kbps billed line equivalents. The increase in total costs and expenses was mainly due to an increase in charges related to FUST (Telecommunications Service Universal Fund), to the revised service concession, and to increased maintenance and equipment costs (handsets) generated by higher local service sales, partially offset by decreased interconnection costs mainly from the reduction of local access rates

(TU-RL). Operating income and EBITDA (1) totaled 241 and 528 million reais, respectively, with annual increases of 23% and 11.1%, respectively. The operating margin was 11.8% and the EBITDA margin was 25.9%.

#### Chile

In the first quarter, revenues from the operations in Chile totaled 16,418 million Chilean pesos, 2.1% higher than the previous year. The voice business, representing 67.4% of total revenues, benefited from higher local traffic levels. Costs and expenses totaled 15,613 million Chilean pesos, 0.2% higher than the first quarter of last year. Transport and interconnection decreased 0.7%, and cost of sales and services increased 4.9%. Operating income reached 805 million Chilean pesos compared with 496 million Chilean pesos in the same quarter of 2005. The operating margin was 4.9% in the first quarter of 2006 compared with an operating margin of 3.1% in the same period of 2005. EBITDA (1) in the quarter was 3,426 million Chilean pesos compared with 3,138 million Chilean pesos in the same period of 2005 with margins of 20.9% and 19.5%, respectively.

#### Argentina

In the first quarter, revenues from the operations in Argentina totaled 83 million Argentinean pesos, 25.1% higher than the same period of 2005. Operating costs and expenses increased 40% and totaled 88 million Argentinean pesos in the first quarter due to higher transport and interconnection cost, depreciation, and advertising expenses. In the quarter, EBITDA (1) totaled 7 million Argentinean pesos, compared with 11 million Argentinean pesos in the same period of 2005. The EBITDA margin for the quarter was 8% compared with 17% in last year's first quarter.

#### Colombia

Revenues from these operations during the first quarter totaled 42,068 million Colombian pesos, 86.6% higher than the same period of 2005 mainly due to the addition of several corporate customers. Costs and expenses increased 46.5%, totaling 28,876 million Colombian pesos. Depreciation increased 35.7% in the quarter due to more acquisition of telecommunications equipment. In the quarter, operating income and EBITDA (1) totaled 13,192 and 20,469 million Colombian pesos, respectively, with margins of 31.4% and 48.7%, respectively.

#### Peru

In the first quarter, revenues from operations in Peru totaled 51 million New Soles, 16% higher than the same period of the previous year. The voice business, which represented 64.1% of total revenues, increased 13.2% due to growth in local traffic, mainly from the increase in digital trunks serving the corporate market. Costs and expenses in the quarter increased 10.8% because depreciation increased 13.3%. Operating income for the quarter totaled 1.5 million New Soles compared with an operating loss of 0.7 million New Soles in the same period of 2005. The operating margin for the quarter was 3%. EBITDA (1) totaled 14 million New Soles in the first quarter, producing a margin of 28.3% compared with EBITDA (1) of 11 million New Soles and a margin of 24.3% in the first quarter of last year.

#### Mexico Local and Long Distance Accounting Separation

Based on Condition 7-5 of the Amendments of the Concession Title of Teléfonos de México, the commitment to present the accounting of the local and long distance services is presented below for the first quarter of 2006 and 2005.

#### Mexico Local Service Business Income Statements

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[ millions of Mexican constant pesos as of March, 2006 ]

|  |     | 1Q 2006 | 1Q 2005    | %<br>Inc. |
|--|-----|---------|------------|-----------|
| <b>Revenues</b>                        |     |         |            |           |
| Access, rent and measured service      | Ps. | 13,632  | Ps. 14,117 | (3.4)     |
| LADA interconnection                   |     | 1,036   | 1,062      | (2.4)     |
| Interconnection with operators         |     | 342     | 453        | (24.5)    |
| Interconnection with cellular          |     | 3,514   | 4,048      | (13.2)    |
| Other                                  |     | 2,165   | 2,153      | 0.6       |
| Total                                  |     | 20,689  | 21,833     | (5.2)     |
| <b>Costs and expenses</b>              |     |         |            |           |
| Cost of sales and services             |     | 4,817   | 5,188      | (7.2)     |
| Commercial, administrative and general |     | 4,062   | 3,799      | 6.9       |
| Interconnection                        |     | 2,679   | 3,032      | (11.6)    |
| Depreciation and amortization          |     | 3,015   | 3,389      | (11.0)    |
| Total                                  |     | 14,573  | 15,408     | (5.4)     |
| Operating income                       | Ps. | 6,116   | Ps. 6,425  | (4.8)     |
| EBITDA (1)                             | Ps. | 9,131   | Ps. 9,814  | (7.0)     |
| EBITDA margin (%)                      |     | 44.1    | 45.0       | (0.9)     |
| Operating margin (%)                   |     | 29.6    | 29.4       | 0.2       |

Mexico Long Distance Service Business

Income Statements

[ millions of Mexican constant pesos as of March, 2006 ]

|  |     | 1Q 2006 | 1Q 2005   | %<br>Inc. |
|--|-----|---------|-----------|-----------|
| <b>Revenues</b>                        |     |         |           |           |
| Domestic long distance                 | Ps. | 4,082   | Ps. 4,119 | (0.9)     |
| International long distance            |     | 2,152   | 2,204     | (2.4)     |
| Total                                  |     | 6,234   | 6,323     | (1.4)     |
| <b>Costs and expenses</b>              |     |         |           |           |
| Cost of sales and services             |     | 1,409   | 1,372     | 2.7       |
| Commercial, administrative and general |     | 1,299   | 1,292     | 0.5       |
| Interconnection to the local network   |     | 912     | 940       | (3.0)     |
|  |     | 598     | 691       | (13.5)    |



|                               |     |       |     |             |
|-------------------------------|-----|-------|-----|-------------|
| Depreciation and amortization |     |       |     |             |
| Total                         |     | 4,218 |     | 4,295 (1.8) |
| Operating income              | Ps. | 2,016 | Ps. | 2,028 (0.6) |
| EBITDA (1)                    | Ps. | 2,614 | Ps. | 2,719 (3.9) |
| EBITDA margin (%)             |     | 41.9  |     | 43.0 (1.1)  |
| Operating margin (%)          |     | 32.3  |     | 32.1 0.2    |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Thousands of Mexican Pesos)

Consolidated

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S 87 OTHERS

In this item there are included the inventories for construction that at March 2006 and 2005 rose \$2,217,305 and \$2,464,041, respectively. They 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.

S 84 ACTIVOS INTANGIBLES POR OBLIGACIONES LABORALES

In this item it is included the projected net asset accordingly with Bulletin D-3 Labor Obligations issued by the Mexican Institute of Public Accountants.

### PROJECTED NET ASSETS (D-3)

At March 31, 2006 and 2005, the market value of the established pensions and seniority premium fund was greater than the Accumulated Benefit Obligation (ABO) in Mexico, and pursuant to Bulletin D-3 Labor Obligations issued by the Mexican Institute of Public Accountants, it is not recognized neither any additional liability nor the related intangible asset and effect of labor obligation on stockholders' equity. As a result of the foregoing, the balance sheet presents a projected net asset.

### 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 the Balance Sheet of the Mexican Stock Exchange's System "EMISNET", long-term opening to supplier's does not exist.

On October 20, 2005, TELMEX signed an agreement to restructure the syndicated bank loan issued on July 15, 2004 for 2.425 billion dollars to improve the credit conditions and increase the total amount to 2.5 billion dollars in two tranches, the first one for 1.5 billion dollars due in four years and the second one for 1 billion dollars due in six years.

### S 24 AND S 29 STOCK MARKET LOANS

During 2001, TELMEX issued senior notes for U.S.\$1.5 billion, maturing in 2006 and bearing 8.25% annual; interest payable semi-annually. From January to December, 2005, TELMEX repurchased in the market a portion of these senior notes in the amount of U.S. \$431.6 million (nominal value). The difference between the repurchase price and the nominal value of the bonds is U.S.\$ 15.6 million. On January 26, 2006, Telmex paid the outstanding balance that amounted U.S.\$1,068.4 million.

On November 19, 2003 TELMEX issued a bond for U.S.\$ 1.0 billion due 2008, with an annual; interest of 4.5%. Interest will be paid every six months.

On January 27, 2005 TELMEX placed senior notes in aggregate principal amount of U.S.\$1.3 billion in two issuances of U.S.\$650 million each, the first one maturing in 2010 and bearing interest at 4.75% annual and the second one maturing in 2015 and bearing interest at 5.50% annual. Interest will be paid every six months. On February 22, 2005 there was a reopening of this transaction and the amounts of such issuances increased to U.S. \$950 and U.S. \$800 million, respectively.

On January 31, 2006, TELMEX placed abroad a senior note in the amount of Ps. 4.5 billion, maturing in 2016 and bearing interest at 8.75%. Interest will be paid every six months.

## S 26 OTHER CURRENT LIABILITIES

At March 31, 2006 and 2005, this item rose to Ps.

27,808,039 and Ps. 29,058,569 respectively and is comprised by the following concepts:

|                              | 2006              | 2005             |
|------------------------------|-------------------|------------------|
| A c c o u n t s<br>payable   | Ps.<br>15,965,375 | Ps<br>17,490,790 |
| A c c r u e d<br>liabilities | 9,863,323         | 9,509,023        |
| D e f e r r e d<br>credits   | 1,979,341         | 2,058,756        |

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

## S 29 STOCK MARKET LOANS (LONG-TERM)

At March 31, 2006 and 2005, this item rose to \$

39,565,250 and \$ 40,280,120, respectively and is comprised by the following:

|                          | 2006         | 2005             |
|--------------------------|--------------|------------------|
| Domestic Senior<br>Notes | Ps 4,950,000 | Ps.<br>7,059,360 |
| Bonds                    | 34,615,250   | 33,220,760       |

## S 32 OTHER LIABILITIES

At March 31, 2006 and 2005, this item rose to Ps.

2,041,846 and Ps. 1,847,652, respectively, that corresponds to Embratel's labor obligations, as well as the actuarial obligations for labor termination of TELMEX in the amount of Ps. 140,831 at March 31, 2006, based on the requirements of Bulletin D-3 Labor Obligations.

## S 42 RETAINED EARNINGS AND CAPITAL RESERVES

In March 30, 2006 the Ordinary Shareholders Meeting approved to increase in Ps. 15 billion (face value), the amount authorized to acquire its own shares, bringing the total maximum amount to be used for this purpose to Ps. \$ 15,215,538 (face value).

From January to March 2006, the Company acquired

596.9 million Series L shares for Ps. 7,423,688 (historical cost of Ps. 7,412,365) and 1.9 million Series A shares for Ps. 25,319 (historical cost of Ps. 25,251).

From January to March 2005, the Company acquired

316.8 million Series L shares for Ps. 3,495,862 (historical cost of Ps. 3,364,111) and 0.7 million Series A shares for Ps. 7,749 (historical cost of Ps. 7,453).

For comparative purposes, there was applied retroactively a two-for-one stock split effect, as approved by the Extraordinary Shareholders Meeting as of April 28, 2005 and effective as of May 25, 2005, to the shares acquired during the 1<sup>st</sup> Quarter 2005.

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

## 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 Mexico.

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

The Company established an irrevocable trust fund to cover the payment of these obligations and has the policy of making annual contributions to such fund. These contributions are deductible for Mexican corporate income tax purposes. During the period comprised from January to March 2006, there has not been contributions to the trust fund.

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.

#### S49 GOODWILL

The increase of Ps.

**1,099,202** is mainly due to the goodwill for the acquisition of 100% of Primesys Solucoes Empresarias, S.A. in November 2005 and for the acquisition of 13% of 2Wire, Inc. in January 2006.

#### S77 OUTSTANDING SHARES

It considers the retroactive effect of the 2 for 1 stock split that was resolved by the Extraordinary Shareholders Meeting held on April 28, 2005 that was carried out on May 25, 2005.

#### COMPREHENSIVE INCOME

At March 31, 2006 and 2005 this item rose to Ps.

**12,336,966** and Ps. **6,927,588**, respectively by the application of Bulletin B-4 comprehensive income; and is comprised by the following:

|  | 2006          | 2005          |
|--|---------------|---------------|
| Net income for the period                                      | Ps. 7,895,807 | Ps. 6,947,999 |
| Result from holding non-monetary assets, net of deferred taxes | 280,158       | (1,607,622)   |
| Fair value effect in Swaps, net of deferred taxes              | 60,422        | 412,110       |

|  |            |           |
|--|------------|-----------|
| Effect of instruments available for sale | 0          | 1,054,342 |
| Conversion effect                        | 4,100,579  | 120,759   |
|  |            |           |
| Comprehensive Income                     | 12,336,966 | 6,927,588 |

## NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

## C 39 OTHER ITEMS

Includes inventories for operation of the telephone plant, marketable securities and instruments available for sale, deferred assets, 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 cost of sales and services (Ref. R 2) by the inventory of goods for sale (Ref. S 6), fact that affects the actual turnover.

## COMPANY'S ACTIVITIES

## A.- RECLASIFICACIONES

Some of the figures of the 2005 financial statements have been reclassified to conform the presentation with the same used in the 2006 year.

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 3a

SHARE INVESTMENTS SUBSIDIARIES

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| COMPANY NAME                                    | MAIN ACTIVITIES                            | NUMBER OF SHARES | OWNERSHIP % |
|---|--|------------------|-------------|
| Consertel, S.A. de C.V.                         | Investments in all types of businesses     | 106,419,052,434  | 100.00      |
| Cía. de Teléfonos y Bienes Raíces, S.A. de C.V. | Real estate acquisition & leasing          | 1,034,000,000    | 100.00      |
| Alquiladora de Casas, S.A. de C.V.              | Real estate acquisition & leasing          | 686,001,490      | 100.00      |
| Construcciones y Canalizaciones, S.A. de C.V.   | Construction & maint. of telephone network | 28,369,000       | 100.00      |
| Empresa de Limpieza Mexicana, S.A. de C.V.      | Cleaning Service Company                   | 50,000           | 100.00      |
| Renta de Equipo, S.A. de C.V.                   | Equipment, vehicles & real estate leasing  | 769,595,000      | 100.00      |
| Multicomunicación Integral, S.A. de C.V.        | Trunking, installation & sales services    | 662,482          | 100.00      |
| Teleconstructora, S.A. de C.V.                  | Construction & maint. of telephone network | 19,400,000       | 100.00      |
| Anuncios en Directorios, S.A. de C.V.           | Sale of advertising space in yellow pages  | 1,081,750        | 100.00      |
| Operadora Mercantil, S.A. de C.V.               | Marketing services                         | 50,000           | 100.00      |
|   | Network projects                           | 4,602,225        | 100.00      |

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|  |  |                 |        |
|--|--|-----------------|--------|
| Impulsora Mexicana de Telecomunicaciones, S.A.       |  |                 |        |
| Fuerza y Clima, S.A de C.V.                          | Air conditioning installation & maint.   | 4,925,000       | 100.00 |
| Teléfonos del Noroeste, S.A. de C.V.                 | Telecommunications services              | 110,000,000     | 100.00 |
| Aerocomunicaciones, S.A. de C.V.                     | Aeronautic radiocom. mobile serv.        | 89,034,600      | 99.99  |
| Tecmarketing, S.A. de C.V.                           | Telemarketing services                   | 6,850,000       | 100.00 |
| Comertel Argos, S.A. de C.V.                         | Personnel services                       | 6,000           | 100.00 |
| Telmex International, Inc.                           | Holding Company in the U S A.            | 1,000           | 100.00 |
| Instituto Tecnológico de Teléfonos de México, S.C    | Training & research services             | 1,000           | 100.00 |
| Buscatel, S.A. de C.V.                               | Paging services                          | 142,445         | 100.00 |
| Consortio Red Uno, S.A. de C.V.                      | Design & integrated telecom. Services    | 167,691,377     | 100.00 |
| Uninet, S.A. de C.V.                                 | Data transmission services               | 67,559,615      | 100.00 |
| Aerofrisco, S.A. de C.V.                             | Air Taxi services                        | 6,360,624,600   | 100.00 |
| Grupo Técnico de Administración, S.A. de C.V.        | Management, consulting & org. Services   | 50,000          | 100.00 |
| Teninver, S.A. de C.V.                               | Managment of yellow pages                | 9,912,982       | 100.00 |
| Telcoser, S.A. de C.V.                               | Investments in all types of businesses   | 24,842,315      | 100.00 |
| Fintel Holdings, L.L.C.                              | Investments in all types of businesses   | 1,490           | 100.00 |
| Servicios Administrativos Tecmarketing, S.A. de C.V. | Software development, sales & management | 60,687,728      | 100.00 |
| Metrored Holdings S. R. L.                           | Telecommunications services              | 12,000          | 100.00 |
| Telmex Chile Holding S.A.                            | Telecommunications services              | 122,525,375,257 | 100.00 |
| Telmex Colombia S. A.                                | Telecommunications services              | 176,669,199     | 100.00 |
| Telmex Perú S. A.                                    | Telecommunications services              | 3,862,055       | 100.00 |
| Embratel Participações, S.A.                         | Telecommunications services              | 715,018,262,899 | 72.31  |

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## TELÉFONOS DE MÉXICO, S.A. DE C.V.

## ANNEX 3b

## SHARE INVESTMENTS AFFILATES

Consolidated

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| COMPANY NAME                                      | MAIN ACTIVITIES                 | NUMBER OF SHARES | OWNERSHIP % | TOTAL AMOUNT<br>(Thousands of Mexican Pesos) |               |
|---|---------------------------------|------------------|-------------|--|---------------|
|   |                                 |                  |             | ACQUISITION COST                             | PRESENT VALUE |
| Grupo Telvista, S.A. de C.V.                      | Telemarketing in Mexico and USA | 450              | 45.00       | 510,138                                      | 403,443       |
| Centro Histórico de la Ciudad de México, SA de CV | Real estate services            | 80,020,000       | 21.77       | 80,020                                       | 107,618       |
| TM & MS, LLC                                      | Internet portal (T1MSN)         | 1                | 50.00       | 29,621                                       | 31,558        |
| Net Serviços de Comunicação, S.A.                 | Cable TV operator               | 1,466,390,025    | 37.11       | 3,656,996                                    | 404,881       |
| Eidon Software, S.A. de C.V.                      | Cable TV operator               | 35,567,911       | 22.74       | 35,568                                       | 46,452        |
| 2Wire, Inc.                                       | Broadband Services              | 8,619,242        | 13.00       | 648,400                                      | 51,367        |
| TOTAL INVESTMENT IN ASSOCIATES                    |                                 |                  |             | 4,960,743                                    | 1,045,319     |
| OTHER PERMANENT INVESTMENTS                       |                                 |                  |             |  | 6,986         |
| TOTAL   |                                 |                  |             | 4,960,743                                    | 1,052,305     |

The number of shares in our affiliate company Net Serviços de Comunicação S.A. is 1,466,390,025. The 37.11 % corresponds to the percentage held directly by Embratel Participações, S.A. in Net Serviços de Comunicação, S.A., therefore, the TELMEX's indirect effective holding in Net is 26.83%.

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## MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 5

## CREDITS BREAKDOWN

(Thousands of Mexican Pesos)

Consolidated

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| Amortization Date | Interest Rate | Amortization of Credits Denominated in Pesos |              |              |              |              |                       | Amortization of Credits in Foreign C |              |              |              |   |
|-------------------|---------------|--|--------------|--------------|--------------|--------------|-----------------------|--------------------------------------|--------------|--------------|--------------|---|
|                   |               | Time Interval                                |              |              |              |              |                       | Time Interval                        |              |              |              |   |
|                   |               | Current Year                                 | Until 1 Year | Until 2 Year | Until 3 Year | Until 4 Year | Until 5 Years or more | Current Year                         | Until 1 Year | Until 2 Year | Until 3 Year | U |
|                   |               |  |              |              |              |              |                       |                                      |              |              |              |   |
| 26/06/2006        | 6.02          | 0  | 0            | 0            | 0            | 0            | 0                     | 75,835                               | 0            | 0            | 0            |   |
| 14/04/2006        | 5.39          | 0  | 0            | 0            | 0            | 0            | 0                     | 20,229                               | 0            | 0            | 0            |   |
| 22/12/2007        | 5.89          | 0  | 0            | 0            | 0            | 0            | 0                     | 176,160                              | 0            | 176,160      | 0            |   |
| 10/10/2006        | 6.04          | 0  | 0            | 0            | 0            | 0            | 0                     | 95,767                               | 0            | 0            | 0            |   |
| 22/12/2009        | 5.34          | 0  | 0            | 0            | 0            | 0            | 0                     | 30,944                               | 0            | 30,944       | 6,072        |   |

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|            |       |   |           |           |   |         |         |           |         |           |           |     |
|------------|-------|---|-----------|-----------|---|---------|---------|-----------|---------|-----------|-----------|-----|
| 31/12/2014 | 6.14  | 0 | 0         | 0         | 0 | 0       | 0       | 270,985   | 0       | 270,985   | 194,335   |     |
| 22/04/2009 | 5.69  | 0 | 0         | 0         | 0 | 0       | 0       | 195,660   | 13,518  | 42,478    | 17,601    |     |
| 10/10/2011 | 6.02  | 0 | 0         | 0         | 0 | 0       | 0       | 938,676   | 0       | 938,676   | 938,676   |     |
| 31/03/2022 | 2.00  | 0 | 0         | 0         | 0 | 0       | 0       | 12,385    | 7,255   | 19,640    | 19,640    |     |
| 14/05/2007 | 5.89  | 0 | 0         | 0         | 0 | 0       | 0       | 844       | 0       | 15        | 0         |     |
| 30/11/2013 | 6.34  | 0 | 0         | 0         | 0 | 0       | 0       | 540,958   | 62,199  | 1,648,823 | 495,076   |     |
| 01/07/2027 | 7.71  | 0 | 0         | 0         | 0 | 0       | 0       | 842,331   | 106,430 | 2,762,955 | 196,924   |     |
|            |       |   |           |           |   |         |         |           |         |           |           |     |
|            |       |   |           |           |   |         |         |           |         |           |           |     |
| 26/02/2007 | 7.58  | 0 | 800,000   | 0         | 0 | 0       | 0       | 0         | 0       | 0         | 0         |     |
| 21/05/2007 | 7.82  | 0 | 0         | 500,000   | 0 | 0       | 0       | 0         | 0       | 0         | 0         |     |
| 27/10/2009 | 5.44  | 0 | 0         | 0         | 0 | 0       | 0       | 0         | 0       | 0         | 0         | 16, |
| 27/10/2011 | 5.57  | 0 | 0         | 0         | 0 | 0       | 0       | 0         | 0       | 0         | 0         |     |
|            |       |   |           |           |   |         |         |           |         |           |           |     |
|            |       | 0 | 800,000   | 500,000   | 0 | 0       | 0       | 3,200,774 | 189,402 | 5,890,676 | 1,868,324 | 18, |
|            |       |   |           |           |   |         |         |           |         |           |           |     |
|            |       |   |           |           |   |         |         |           |         |           |           |     |
| 09/02/2007 | 8.34  | 0 | 1,650,000 | 0         | 0 | 0       | 0       | 0         | 0       | 0         | 0         |     |
| 31/05/2012 | 11.05 | 0 | 0         | 1,000,000 | 0 | 400,000 | 300,000 | 0         | 0       | 0         | 0         |     |



2. TIEE

at 28 days is equivalent to 7.5750 at March 31, 2006

3. TIEE

at 91 days is equivalent to 7.7400 at March 31, 2006

4. CETES

at 182 days is equivalent to 7.5400 at March 30, 2006

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

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

March 31, 2006 were as follows:

| CURRENCY     | AMOUNT    | E.R.  |
|--------------|-----------|-------|
| DOLLAR (USD) | 6,608,313 | 10.95 |
| EURO (EUR)   | 46,610    | 13.27 |

E.- There are other liabilities in foreign currency for an equivalent amount of

P. 582,467 thousand pesos.

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 6

FOREIGN EXCHANGE MONETARY POSITION

(Thousands of Mexican Pesos)

Consolidated

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| FOREIGN CURRENCY POSITION | DOLLARS  | OTHER CURRENCIES | TOTAL    |
|---------------------------|----------|------------------|----------|
|                           | THOUSAND | THOUSAND         | THOUSAND |

|                        | DOLLARS     |              | DOLLARS   |            | PESOS        |
|------------------------|-------------|--------------|-----------|------------|--------------|
| MONETARY ASSETS        | 330,137     | 3,615,334    | 1,269,696 | 13,904,438 | 17,519,772   |
| LIABILITIES            | 6,747,865   | 73,895,876   | 1,227,515 | 13,442,523 | 87,338,399   |
| SHORT-TERM LIABILITIES | 416,046     | 4,556,126    | 1,154,577 | 12,643,776 | 17,199,902   |
| LONG-TERM LIABILITIES  | 6,331,819   | 69,339,750   | 72,938    | 798,747    | 70,138,497   |
| NET BALANCE            | (6,417,728) | (70,280,542) | 42,181    | 461,915    | (69,818,627) |

## NOTES:

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

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

| CURRENCY         | E.R.   |
|------------------|--------|
| DOLLAR (USD)     | 10.95  |
| EURO             | 13.27  |
| CHILEAN PESO     | 0.02   |
| ARGENTINEAN PESO | 3.56   |
| BRAZILIAN REAL   | 5.04   |
| PERUVIAN SOL     | 3.29   |
| COLOMBIAN PESO   | 0.0047 |

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## MEXICAN STOCK EXCHANGE

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 7

CALCULATION AND RESULT FROM MONETARY POSITION

(Thousands of Mexican Pesos)

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| MONTH          | MONETARY<br>ASSETS | MONETARY<br>LIABILITIES | ASSETS<br>(LIABILITIES)<br>MONETARY<br>POSITION | MONTHLY<br>INFLATION | MONTHLY<br>EFFECT<br>ASSET<br>(LIABILITIES) |
|----------------|--------------------|-------------------------|---|----------------------|---|
| JANUARY        | 40,981,782         | 117,480,112             | (76,498,330)                                    | 0.59                 | (451,340)                                   |
| FEBRUARY       | 31,431,515         | 107,548,219             | (76,116,704)                                    | 0.25                 | (190,292)                                   |
| MARCH          | 33,489,363         | 108,273,970             | (74,784,607)                                    | 0.10                 | (74,785)                                    |
| RESTATEMENT    | 0                  | 0                       | 0   | 0.00                 | 0   |
| CAPITALIZATION | 0                  | 0                       | 0   | 0.00                 | (1,770)                                     |
| FOREIGN CORP.  | 0                  | 0                       | 0   | 0.00                 | 45,570                                      |
| OTHER          | 0                  | 0                       | 0   | 0.00                 | 73,164                                      |
| TOTAL          |                    |                         |   |                      | (599,453)                                   |

NOTE:

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STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 8

DEBT INSTRUMENTS

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|  |
|--|
| <b>FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE</b>   |
| Restrictions:<br><br>The above-mentioned debt is subject to certain restrictive covenants with respect to maintaining certain financial ratios and the sale of assets, among others.<br><br>A portion of the debt is also subject to early maturity or repurchase at the option of the holders in the event of change of control of the Company, as defined in the related instruments. The definition of change of control varies from instrument to instrument; however, no change in control shall be considered to have occurred as long as Carso Global Telecom, S.A. de C.V. (TELMEX' controlling company) or its current stockholders continue to hold the majority of the Company's voting shares. |
| <b>CURRENT SITUATION OF FINANCIAL LIMITED</b>  |
| At March 31, 2006, the Company has complied with such restrictive covenants.   |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 9

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

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| PLANT OR CENTER | ECONOMIC ACTIVITY | PLANT CAPACITY | UTILIZATION (%) |
|-----------------|-------------------|----------------|-----------------|
| NOT AVAILABLE   |                   |                |                 |
|                 |                   |                |                 |
| NOTES:          |                   |                |                 |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 10

RAW MATERIALS

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

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 11a

SALES DISTRIBUTION BY PRODUCT

SALES

(Thousands of Mexican Pesos)

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| MAIN PRODUCTS         | NET SALES |            | MARKET<br>PART.<br>(%) | MAIN       |           |
|-----------------------|-----------|------------|------------------------|------------|-----------|
|                       | VOLUME    | AMOUNT     |                        | TRADEMARKS | CUSTOMERS |
| DOMESTIC SALES        |           |            |                        |            |           |
| LOCAL SERVICE         | 0         | 13,735,943 | 0.0                    |            |           |
| LONG DISTANCE SERVICE | 0         | 5,898,104  | 0.0                    |            |           |
| INTERCONNECTION       | 0         | 3,922,451  | 0.0                    |            |           |
| CORPORATE NETWORKS    | 0         | 2,583,029  | 0.0                    |            |           |
| INTERNET              | 0         | 2,154,980  | 0.0                    |            |           |
| OTHERS                | 0         | 1,185,385  | 0.0                    |            |           |
| FOREIGN SALES         |           |            |                        |            |           |
| NET SETTLEMENT        | 0         | 937,407    | 0                      |            |           |
| LOCAL SERVICE         | 0         | 984,826    | 0                      |            |           |
| LONG DISTANCE SERVICE | 0         | 6,273,266  | 0                      |            |           |
| INTERCONNECTION       | 0         | 196,891    | 0                      |            |           |
| CORPORATE NETWORKS    | 0         | 2,283,881  | 0                      |            |           |
| INTERNET              | 0         | 905,263    | 0                      |            |           |
| OTHERS                | 0         | 494,087    | 0                      |            |           |
| TOTAL                 |           | 41,555,513 |                        |            |           |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

## ANNEX 11b

## SALES DISTRIBUTION BY PRODUCT

## FOREIGN SALES

(Thousands of Mexican Pesos)

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| MAIN PRODUCTS            | NET SALES |            | DESTINATION | MAIN       |           |
|--------------------------|-----------|------------|-------------|------------|-----------|
|                          | VOLUME    | AMOUNT     |             | TRADEMARKS | CUSTOMERS |
| EXPORT                   |           |            |             |            |           |
| NET SETTLEMENT           | 0         | 892,736    |             |            |           |
| FOREIGN<br>SUBSIDIARIES  |           |            |             |            |           |
| NET SETTLEMENT           | 0         | 44,671     |             |            |           |
| LOCAL SERVICE            | 0         | 984,826    |             |            |           |
| LONG DISTANCE<br>SERVICE | 0         | 6,273,266  |             |            |           |
| INTERCONNECTION          | 0         | 196,891    |             |            |           |
| CORPORATE<br>NETWORKS    | 0         | 2,283,881  |             |            |           |
| INTERNET                 | 0         | 905,263    |             |            |           |
| OTHERS                   | 0         | 494,087    |             |            |           |
| TOTAL                    |           | 12,075,621 |             |            |           |
| NOTES:                   |           |            |             |            |           |

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MEXICAN STOCK EXCHANGE

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANALYSIS OF PAID CAPITAL STOCK

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| SERIES   | NOMINAL<br>VALUE | VALID<br>COUPON | NUMBER OF SHARES |                     |               |                       | CAPITAL STOCK<br>(Thousand pesos) |          |
|--|------------------|-----------------|------------------|---------------------|---------------|-----------------------|-----------------------------------|----------|
|  |                  |                 | FIXED<br>PORTION | VARIABLE<br>PORTION | MEXICAN       | PUBLIC<br>SUSCRIPTION | FIXED                             | VARIABLE |
| A  | 0.01250          | 0               | 471,441,102      | 0                   | 0             | 471,441,102           | 5,893                             | 0        |
| AA   | 0.01250          | 0               | 8,114,596,082    | 0                   | 8,114,596,082 | 0                     | 101,432                           | 0        |
| L  | 0.01250          | 0               | 12,860,228,086   | 0                   | 0             | 12,860,228,086        | 160,753                           | 0        |
| TOTAL  |                  |                 | 21,446,265,270   | 0                   | 8,114,596,082 | 13,331,669,188        | 268,078                           | 0        |
| TOTAL NUMBER OF SHARES REPRESENTING CAPITAL STOCK ON THE REPORTING<br>DATE OF THE INFORMATION: |                  |                 |                  |                     |               |                       | 21,446,265,270                    |          |
|  |                  |                 |                  |                     |               |                       |                                   |          |

Notes:

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 13

## PROJECT INFORMATION

(Thousands of Mexican Pesos)

Consolidated

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| ITEM | Thousand of Mexican Pesos | Budget | % of |
|------|---------------------------|--------|------|
|------|---------------------------|--------|------|

|   | 1st. Quarter<br>06<br>Jan-March | % of<br>Advance | Amount used<br>2006 | 2006              | Advance     |
|---|---------------------------------|-----------------|---------------------|-------------------|-------------|
| DATA                                      | 528,722                         | 12.9            | 528,722             | 4,093,975         | 12.9        |
| INTERNAL PLANT                            | 123,091                         | 8.2             | 123,091             | 1,502,433         | 8.2         |
| OUTSIDE PLANT                             | 358,903                         | 11.4            | 358,903             | 3,134,896         | 11.4        |
| TRANSMISSION NETWORK                      | 31,697                          | 1.4             | 31,697              | 2,233,687         | 1.4         |
| SYSTEMS                                   | 33,436                          | 4.8             | 33,436              | 699,445           | 4.8         |
| OTHERS                                    | 385,763                         | 7.2             | 385,763             | 5,358,297         | 7.2         |
| <b>TOTAL INVESTMENT TELMEX<br/>MEXICO</b> | <b>1,461,612</b>                | <b>8.6</b>      | <b>1,461,612</b>    | <b>17,022,733</b> | <b>8.6</b>  |
| LATINOAMERICA                             | 361,673                         | 18.1            | 361,673             | 2,003,691         | 18.1        |
| EMBRATEL                                  | 1,773,856                       | 25.9            | 1,773,856           | 6,859,449         | 25.9        |
| <b>TOTAL INVESTMENT</b>                   | <b>3,597,141</b>                | <b>13.9</b>     | <b>3,597,141</b>    | <b>25,885,873</b> | <b>13.9</b> |

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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 abroad were translated into Mexican pesos, as follows:

The financial statements as reported by the subsidiaries abroad were adjusted to conform to accounting principles generally accepted in Mexico.

All balance sheet amounts, except for stockholders' equity, were translated at the prevailing exchange rate at year-end; stockholders' equity accounts were translated 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 translation into Mexican pesos is carried out after the related balances or transactions have been restated based on the inflation rate of the country in which the subsidiary operates.

Exchange differences and the monetary position effect derived from intercompany monetary items were not eliminated from the consolidated statements of income.

Translation differences are included in the caption *Effect of translation of foreign entities* and are included in stockholders' equity as part of the caption *Other comprehensive income items*.

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MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

GENERAL INFORMATION

Consolidated

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ISSUER GENERAL INFORMATION

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

|                |                |
|----------------|----------------|
| E-MAIL:        |                |
| INTERNET PAGE: | www.telmex.com |

ISSUER FISCAL INFORMATION

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

OFFICERS INFORMATION

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

|               |   |
|---------------|---|
| POSITION BMV: | CHIEF EXECUTIVE OFFICER   |
| POSITION:     | CHIEF EXECUTIVE OFFICER   |
| NAME:         | ING. JAIME CHICO PARDO  |
| ADDRESS:      | PARQUE VIA 190 - 10 <sup>TH</sup> . FLOOR OFFICE 1001, COL. CUAUHEMOC |

|            |              |
|------------|--------------|
| ZIP:       | 06599        |
| CITY:      | MEXICO, D.F. |
| TELEPHONE: | 55 46 15 46  |
| 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 <sup>TH</sup> . FLOOR OFFICE 1016, COL. CUAUHTEMOC |
| ZIP:          | 06599  |
| CITY:         | MEXICO, D.F.   |
| TELEPHONE:    | 52 22 57 80  |
| FAX:          | 52 55 15 76  |
| E-MAIL:       | acerezo@telmex.com   |

|               |  |
|---------------|--|
| POSITION BMV: | DISTRIBUTION OF CORPORATE INFORMATION DELEGATE                       |
| POSITION:     | SUBDIRECTOR OF FINANCE   |
| NAME:         | C.P. EDUARDO ROSENDO GIRARD  |
| ADDRESS:      | PARQUE VIA 198 - 5 <sup>TH</sup> . 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: | DISTRIBUTION OF BUYBACK INFORMATION DELEGATE                         |
| POSITION:     | SHAREHOLDER SERVICES MANAGER   |
| NAME:         | LIC. MIGUEL ANGEL PINEDA CATALAN                                     |
| ADDRESS:      | PARQUE VIA 198 - 2 <sup>ND</sup> . 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: | IN-HOUSE LEGAL COUNSEL   |
| POSITION:     | LEGAL DIRECTOR   |
| NAME:         | LIC. SERGIO F. MEDINA NORIEGA  |
| ADDRESS:      | PARQUE VIA 190 - 2 <sup>ND</sup> . FLOOR OFFICE 202, COL. CUAUHTEMOC |
| ZIP:          | 06599  |
| CITY:         | MEXICO, D.F.   |
| TELEPHONE:    | 52 22 14 25  |
| FAX:          | 55 46 43 74  |
| E-MAIL:       | smedinan@telmex.com  |

|               |  |
|---------------|--|
| POSITION BMV: | DISTRIBUTION OF FINANCIAL INFORMATION DELEGATE                       |
| POSITION:     | SUBDIRECTOR OF FINANCE   |
| NAME:         | C.P. EDUARDO ROSENDO GIRARD  |
| ADDRESS:      | PARQUE VIA 198 - 5 <sup>TH</sup> . 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: DISTRIBUTION OF MATERIAL FACTS DELEGATE

POSITION: INVESTORS RELATIONS MANAGER

NAME: ING. RUY ECHAVARRIA AYUSO

ADDRESS: PARQUE VIA 198 - 7<sup>TH</sup>. FLOOR OFFICE 701, COL. CUAUHTEMOC

ZIP: 06599

CITY: MEXICO, D.F.

TELEPHONE: 57 03 39 90

FAX: 55 45 55 50

E-MAIL: rechavar@telmex.com &

ri@telmex.com

POSITION BMV: INVESTOR INFORMATION RESPONSIBLE

POSITION: INVESTORS RELATIONS MANAGER

NAME: ING. RUY ECHAVARRIA AYUSO

ADDRESS: PARQUE VIA 198 - 7<sup>TH</sup>. FLOOR OFFICE 701, COL. CUAUHTEMOC

ZIP: 06599

CITY: MEXICO, D.F.

TELEPHONE: 57 03 39 90

FAX: 55 45 55 50

E-MAIL: ri@telmex.com

POSITION BMV: SECRETARY OF THE BOARD OF DIRECTORS

POSITION: LEGAL DIRECTOR

NAME: LIC. SERGIO F. MEDINA NORIEGA

ADDRESS: PARQUE VIA 190 - 2<sup>ND</sup>. FLOOR OFFICE 202, COL. CUAUHTEMOC

|            |                     |
|------------|---------------------|
| ZIP:       | 06599               |
| CITY:      | MEXICO, D.F.        |
| TELEPHONE: | 52 22 14 25         |
| FAX:       | 55 46 43 74         |
| E-MAIL:    | smedinan@telmex.com |

|               |  |
|---------------|--|
| POSITION BMV: | PAYMENT RESPONSIBLE  |
| POSITION:     | SUBDIRECTOR OF FINANCE   |
| NAME:         | C.P. EDUARDO ROSENDO GIRARD  |
| ADDRESS:      | PARQUE VIA 198 - 5 <sup>TH</sup> . 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: | FIDUCIARY DELEGATE |
| POSITION:     |                    |
| NAME:         |                    |
| ADDRESS:      |                    |
| ZIP:          |                    |
| CITY:         |                    |
| TELEPHONE:    |                    |
| FAX:          |                    |
| E-MAIL:       |                    |

|               |       |
|---------------|-------|
| POSITION BMV: | OTHER |
| POSITION:     |       |
| NAME:         |       |
| ADDRESS:      |       |
| ZIP:          |       |
| CITY:         |       |
| TELEPHONE:    |       |
| FAX:          |       |
| E-MAIL:       |       |

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MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

BOARD OF DIRECTORS

Consolidated

Final printing

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| POSITION              | NAME |              |       |       |
|-----------------------|------|--------------|-------|-------|
| CHAIRMAN OF THE BOARD | LIC. | CARLOS       | SLIM  | DOMIT |
| VICEPRESIDENT         | ING. | JAIME        | CHICO | PARDO |
| VICEPRESIDENT         | C.P. | JUAN ANTONIO | PEREZ | SIMON |
| HONORARY BOARD MEMBER | ING. | CARLOS       | SLIM  | HELU  |

## Edgar Filing: TELEFONOS DE MEXICO S A DE C V - Form 6-K

|                  |       |               |                  |             |
|------------------|-------|---------------|------------------|-------------|
| BOARD PROPIETORS | SR.   | EMILIO        | AZCARRAGA        | JEAN        |
| BOARD PROPIETORS | ING.  | ANTONIO       | COSIO            | ARIÑO       |
| BOARD PROPIETORS | SRA.  | LAURA         | DIEZ BARROSO     | DE LAVIADA  |
| BOARD PROPIETORS | MTRA. | AMPARO        | ESPINOSA         | RUGARCIA    |
| BOARD PROPIETORS | ING.  | ELMER         | FRANCO           | MACIAS      |
| BOARD PROPIETORS | LIC.  | ANGEL         | LOSADA           | MORENO      |
| BOARD PROPIETORS | SR.   | ROMULO        | O FARRIL JR.     |             |
| BOARD PROPIETORS | LIC.  | FERNANDO      | SENDEROS         | MESTRE      |
| BOARD PROPIETORS | LIC.  | MARCO ANTONIO | SLIM             | DOMIT       |
| BOARD PROPIETORS | SR.   | RAYFORD       | WILKINS JR.      |             |
| BOARD PROPIETORS | SR.   | RICHARD       | P.               | RESNICK     |
| BOARD PROPIETORS | SR.   | ROBERT        | L.               | HENRICHS    |
| BOARD PROPIETORS | C.P.  | RAFAEL        | KALACH           | MIZRAHI     |
| BOARD PROPIETORS | LIC.  | RICARDO       | MARTIN           | BRINGAS     |
|                  |       |               |                  |             |
| BOARD ALTERNATES | LIC.  | PATRICK       | SLIM             | DOMIT       |
| BOARD ALTERNATES | LIC.  | ARTURO        | ELIAS            | AYUB        |
| BOARD ALTERNATES | C.P.  | JOSÉ HUMBERTO | GUTIERREZ-OLVERA | ZUBIZARRETA |
| BOARD ALTERNATES | LIC.  | JORGE C.      | ESTEVE           | RECOLONS    |
| BOARD ALTERNATES | ING.  | ANTONIO       | COSIO            | PANDO       |
| BOARD ALTERNATES | SR.   | EDUARDO       | TRICIO           | HARO        |
| BOARD ALTERNATES | SRA.  | ANGELES       | ESPINOSA         | YGLESIAS    |
| BOARD ALTERNATES | ING.  | AGUSTIN       | FRANCO           | MACIAS      |
| BOARD ALTERNATES | SR.   | JAIME         | ALVERDE          | GOYA        |
| BOARD ALTERNATES | C.P.  | ANTONIO       | DEL VALLE        | RUIZ        |
| BOARD ALTERNATES | LIC.  | JOSE          | KURI             | HARFUSH     |
| BOARD ALTERNATES | LIC.  | FERNANDO      | SOLANA           | MORALES     |
| BOARD ALTERNATES | LIC.  | EDUARDO       | VALDES           | ACRA        |
| BOARD ALTERNATES | LIC.  | CARLOS        | BERNAL           | VEREA       |
| BOARD ALTERNATES | LIC.  | FEDERICO      | LAFFAN           | FANO        |
| BOARD ALTERNATES | SR.   | JORGE A.      | CHAPA            | SALAZAR     |
| BOARD ALTERNATES | ING.  | BERNARDO      | QUINTANA         | ISAAC       |
| BOARD ALTERNATES | C.P.  | FRANCISCO     | MEDINA           | CHAVEZ      |
|                  |       |               |                  |             |

|                                     |        |          |          |         |
|-------------------------------------|--------|----------|----------|---------|
| STATUTORY AUDITOR                   | C.P.C. | ALBERTO  | TIBURCIO | CELORIO |
| ALTERNATE STATUTORY AUDITOR         | C.P.C. | FERNANDO | ESPINOSA | LOPEZ   |
| SECRETARY OF THE BOARD OF DIRECTORS | LIC.   | SERGIO   | MEDINA   | NORIEGA |
| ASSISTANT SECRETARY                 | LIC.   | RAFAEL   | ROBLES   | MIAJA   |

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: **April 27, 2005.**

TELÉFONOS DE MÉXICO, S.A. DE C.V.

By: /s/\_\_\_\_\_

Name: Adolfo Cerezo Pérez  
 Title: Chief Financial Officer

Ref: Teléfonos de México, S.A. de C.V. - **First Quarter 2006.**