

TELEFONOS DE MEXICO S A B DE C V
Form 6-K
April 26, 2007

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 2007**

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: 2007

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-01

CONSOLIDATED BALANCE SHEETS

AT MARCH 31, 2006 & 2007

(Thousands of Mexican Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|----------------|--|-----|--|-----|
| | | Amount | % | Amount | % |
| s01 | TOTAL ASSETS | 271,720,983 | 100 | 261,922,875.00 | 100 |
| s02 | CURRENT ASSETS | 63,551,926 | 23 | 51,339,029 | 20 |
| | | | | | |

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| | | | | | |
|-----|--|--------------------|------------|--------------------|------------|
| s03 | CASH AND SHORT-TERM INVESTMENTS | 18,013,088 | 7 | 14,094,559 | 5 |
| s04 | ACCOUNTS AND NOTES RECEIVABLE (NET) | 28,461,759 | 10 | 25,857,377 | 10 |
| s05 | OTHER ACCOUNTS AND NOTES RECEIVABLE (NET) | 8,958,893 | 3 | 7,273,213 | 3 |
| s06 | INVENTORIES | 1,662,604 | 1 | 1,239,571 | 0 |
| s07 | OTHER CURRENT ASSETS | 6,455,582 | 2 | 2,874,309 | 1 |
| s08 | LONG - TERM | 6,697,421 | 2 | 1,114,812 | 0 |
| s09 | ACCOUNTS AND NOTES RECEIVABLE (NET) | 0 | 0 | 0 | 0 |
| s10 | INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES | 6,690,814 | 2 | 1,107,411 | 0 |
| s11 | OTHER INVESTMENTS | 6,607 | 0 | 7,401 | 0 |
| s12 | PROPERTY, PLANT AND EQUIPMENT (NET) | 157,940,492 | 58 | 162,474,493 | 62 |
| s13 | LAND AND BUILDINGS | 0 | 0 | 0 | 0 |
| s14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 486,043,902 | 179 | 472,705,635 | 180 |
| s15 | OTHER EQUIPMENT | 0 | 0 | 0 | 0 |
| s16 | ACCUMULATED DEPRECIATION | 337,533,928 | 124 | 319,628,624 | 122 |
| s17 | CONSTRUCTIONS IN PROGRESS | 9,430,518 | 3 | 9,397,482 | 4 |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 15,464,907 | 6 | 14,842,372 | 6 |
| s19 | OTHER ASSETS | 28,066,237 | 10 | 32,152,169 | 12 |
| s20 | TOTAL LIABILITIES | 161,708,426 | 100 | 139,841,507 | 100 |
| s21 | CURRENT LIABILITIES | 47,847,942 | 30 | 36,829,700 | 26 |
| s22 | SUPPLIERS | 0 | 0 | 0 | 0 |
| s23 | BANK LOANS | 5,823,950 | 4 | 4,439,072 | 3 |
| s24 | STOCK MARKET LOANS | 4,250,000 | 3 | 1,748,010 | 1 |
| s25 | TAXES PAYABLE | 2,482,104 | 2 | 1,182,776 | 1 |
| s26 | OTHER CURRENT LIABILITIES | 35,291,888 | 22 | 29,459,842 | 21 |

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| | | | | | |
|-----|--|--------------|------|--------------|------|
| s27 | LONG - TERM LIABILITIES | 95,376,321 | 59 | 84,845,750 | 61 |
| s28 | BANK LOANS | 59,286,896 | 37 | 42,930,324 | 31 |
| s29 | STOCK MARKET LOANS | 36,089,425 | 22 | 41,915,426 | 30 |
| s30 | OTHER LOANS | 0 | 0 | 0 | 0 |
| s31 | DEFERRED LIABILITIES | 0 | 0 | 0 | 0 |
| s32 | OTHER NON CURRENT LIABILITIES | 18,484,163 | 11 | 18,166,057 | 13 |
| s33 | CONSOLIDATED STOCKHOLDERS' EQUITY | 110,012,557 | 100 | 122,081,368 | 100 |
| s34 | MINORITY INTEREST | 2,303,096 | 2 | 11,953,321 | 10 |
| s35 | MAJORITY INTEREST | 107,709,461 | 98 | 110,128,047 | 90 |
| s36 | CONTRIBUTED CAPITAL | 47,325,523 | 43 | 48,755,655 | 40 |
| s79 | CAPITAL STOCK (NOMINAL) | 26,962,773 | 25 | 28,393,267 | 23 |
| s39 | PREMIUM ON SALES OF SHARES | 20,362,750 | 19 | 20,362,388 | 17 |
| s40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 | 0 | 0 |
| s41 | CAPITAL INCREASE (DECREASE) | 60,383,938 | 55 | 61,372,392 | 50 |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVE | 130,940,858 | 119 | 130,307,446 | 107 |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | (70,556,920) | (64) | (68,935,054) | (56) |
| s80 | SHARES REPURCHASED | 0 | 0 | 0 | 0 |

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-02

CONSOLIDATED BALANCE SHEETS

- BREAKDOWN OF MAIN CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|---|-----------------------|-----|------------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| s03 | CASH AND SHORT-TERM INVESTMENTS | 18,013,088 | 100 | 14,094,559 | 100 |
| s46 | CASH | 3,135,701 | 17 | 2,446,222 | 17 |
| s47 | SHORT-TERM INVESTMENTS | 14,877,387 | 83 | 11,648,337 | 83 |
| s07 | OTHER CURRENT ASSETS | 6,455,582 | 100 | 2,874,309 | 100 |
| s81 | DERIVATIVE FINANCIAL INSTRUMENTS | 0 | 0 | 171,530,000 | 6 |
| s82 | DISCONTINUED OPERATIONS | 0 | 0 | 0.000 | 0 |
| s83 | OTHER | 6,455,582 | 100 | 2,702,779 | 94 |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 15,464,907 | 100 | 14,842,372 | 100 |
| s48 | AMORTIZED OR REDEEMED EXPENSES | 4,547,050 | 29 | 4,962,525 | 33 |
| s49 | GOODWILL | 9,724,410 | 63 | 9,879,847 | 67 |
| s51 | OTHERS | 1,193,447 | 8 | 0 | 0 |
| s19 | OTHER ASSETS | 28,066,237 | 100 | 32,152,169 | 100 |
| s84 | INTANGIBLE ASSET FROM LABOR OBLIGATIONS | 18,288,693 | 65 | 23,281,170 | 72 |
| s85 | DERIVATIVE FINANCIAL INSTRUMENTS | 0 | 0 | 0 | 0 |
| s50 | DEFERRED TAXES | 6,801,153 | 24 | 6,521,986 | 20 |
| s86 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |

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| | | | | | |
|-----|--|-------------------|------------|-------------------|------------|
| s87 | OTHER | 2,976,391 | 11 | 2,349,013 | 7 |
| s21 | CURRENT LIABILITIES | 47,847,942 | 100 | 36,829,700 | 100 |
| s52 | FOREIGN CURRENCY LIABILITIES | 5,823,950 | 12 | 3,591,552 | 10 |
| s53 | MEXICAN PESOS LIABILITIES | 42,023,992 | 88 | 33,238,148 | 90 |
| s26 | OTHER CURRENT LIABILITIES | 35,291,888 | 100 | 29,459,842 | 100 |
| s88 | DERIVATIVE FINANCIAL INSTRUMENTS | 2,061,658 | 6 | 387,057 | 1 |
| s89 | INTEREST LIABILITIES | 1,487,646 | 4 | 1,954,827 | 7 |
| s68 | PROVISIONS | 0 | 0 | 0 | 0 |
| s90 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s58 | OTHER CURRENT LIABILITIES | 31,742,584 | 90 | 27,117,958 | 92 |
| s27 | LONG-TERM LIABILITIES | 95,376,321 | 100 | 84,845,750 | 100 |
| s59 | FOREIGN CURRENCY LIABILITIES | 86,876,321 | 91 | 74,304,719 | 88 |
| s60 | MEXICAN PESOS LIABILITIES | 8,500,000 | 9 | 10,541,031 | 12 |
| s31 | DEFERRED LIABILITIES | 0 | 0 | 0 | 0 |
| s65 | GOODWILL | 0 | 0 | 0 | 0 |
| s67 | OTHERS | 0 | 0 | 0 | 0 |
| s32 | OTHER NON CURRENT LIABILITIES | 18,484,163 | 100 | 18,166,057 | 100 |
| s66 | DEFERRED TAXES | 16,092,553 | 87 | 15,853,729 | 87 |
| s91 | OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE | 2,391,610 | 13 | 2,312,328 | 13 |
| s92 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s69 | OTHER LIABILITIES | 0 | 0 | 0 | 0 |
| s79 | CAPITAL STOCK | 26,962,773 | 100 | 28,393,267 | 100 |
| s37 | CAPITAL STOCK (NOMINAL) | 248,373 | 1 | 268,078 | 1 |
| s38 | RESTATEMENT OF CAPITAL STOCK | 26,714,400 | 99 | 28,125,189 | 99 |
| | | | | | |

| | | | | | |
|------|---|--------------|------|--------------|--------|
| s42 | RETAINED EARNINGS AND CAPITAL RESERVES | 130,940,858 | 100 | 130,307,446 | 100 |
| s93 | LEGAL RESERVE | 15,718,943 | 12 | 15,718,943 | 12 |
| s43 | RESERVE FOR REPURCHASE OF SHARES | 0 | 0 | 0 | 0 |
| s94 | OTHER RESERVES | 0 | 0 | 0 | 0 |
| s95 | RETAINED EARNINGS | 106,442,143 | 81 | 106,544,368 | 82 |
| s45 | NET INCOME FOR THE YEAR | 8,779,772 | 7 | 8,044,135 | 6 |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | (70,556,920) | 100 | (68,935,054) | 100.00 |
| s70 | ACCUMULATED MONETARY RESULT | (14,759,241) | 21 | (15,018,406) | 22 |
| s71 | RESULT FROM HOLDING NON-MONETARY ASSETS | (64,239,991) | 91 | (62,223,479) | 90 |
| s96 | CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION | 6,869,357 | (10) | 6,754,841 | (10) |
| s97 | CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS | (290,176) | 0 | 222,247 | 0 |
| s98 | CUMULTATIVE EFFECT OF DEFERRED INCOME TAXES | 972,949 | (1) | 1,329,743 | (2) |
| s99 | LABOR OBLIGATION ADJUSTMENT | 0 | 0 | 0 | 0 |
| s100 | OTHERS | 890,182 | (1) | 0 | 0 |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-03

CONSOLIDATED BALANCE SHEETS

- OTHER CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|---|--|--|
| | | Amount | Amount |
| s57 | OTHER CURRENT LIABILITIES WITH COST (s26) | 0 | 0 |
| s63 | OTHER LOANS WITH COST (s32) | 0 | 0 |
| s72 | WORKING CAPITAL | 15,703,984 | 14,509,329 |
| s73 | PENSIONS FUND AND SENIORITY PREMIUMS | 0 | 0 |
| s74 | EXECUTIVES (*) | 123 | 118 |
| s75 | EMPLOYEES (*) | 26,205 | 24,151 |
| s76 | WORKERS (*) | 50,453 | 51,257 |
| s77 | OUTSTANDING SHARES (*) | 19,869,853,070 | 21,446,265,270 |
| s78 | REPURCHASE OF OWN SHARER(*) | 333,265,100 | 598,817,000 |
| s101 | RESTRICTED CASH | 0 | 0 |
| s102 | DEBT WITH COST OF AFFILIATES NON CONSOLIDATED | 0 | 0 |

(*) THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS.

1. This item shall be filled in when there have been granted guarantees that affects cash and cash equivalents (s03)

NOTE:

In references s57 and s63 it is only included the amount corresponding to the debts of the accounts s26 and s32 respectively.

MEXICAN STOCK EXCHANGE

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-04

CONSOLIDATED STATEMENTS OF INCOME

- FROM JANUARY 01 TO MARCH 31, 2006 & 2007 -

(Thousands of Mexican Pesos)

Final printing

| REF R | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|---|---|-----|---|-----|
| | | Amount | % | Amount | % |
| r01 | OPERATING REVENUES | 45,143,042 | 100 | 44,023,910 | 100 |
| r02 | COST OF SALES AND SERVICES | 23,870,857 | 53 | 23,020,799 | 52 |
| r03 | GROSS INCOME | 21,272,185 | 47 | 21,003,111 | 48 |
| r04 | OPERATING EXPENSES | 7,876,088 | 17 | 7,443,532 | 17 |
| r05 | OPERATING INCOME | 13,396,097 | 30 | 13,559,579 | 31 |
| r06 | COMPREHENSIVE FINANCING COST | 1,123,036 | 2 | 1,152,067 | 3 |
| r07 | INCOME AFTER COMPREHENSIVE FINANCING COST | 12,273,061 | 27 | 12,407,512 | 28 |
| r08 | OTHER EXPENSES AND INCOMES (NET) | (250,151) | -1 | (109,370) | 0 |
| r44 | SPECIAL ITEMS | 0 | 0 | 0 | 0 |
| r09 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 12,523,212 | 28 | 12,516,882 | 28 |
| r10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 3,975,721 | 9 | 4,217,403 | 10 |
| r11 | NET INCOME AFTER INCOME TAX AND EMPLOYEE | 8,547,491 | 19 | 8,299,479 | 19 |

| | PROFIT SHARING | | | | |
|-----|--|-----------|----|-----------|----|
| r12 | EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES | 304,996 | 1 | 65,339 | 0 |
| r13 | CONSOLIDATED NET INCOME OF CONTINUING OPERATIONS | 8,852,487 | 20 | 8,364,818 | 19 |
| r14 | INCOME FROM DISCONTINUED OPERATIONS (NET) | 0 | 0 | 0 | 0 |
| r15 | CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS | 8,852,487 | 20 | 8,364,818 | 19 |
| 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 | 8,852,487 | 20 | 8,364,818 | 19 |
| r19 | NET INCOME OF MINORITY INTEREST | 72,715 | 0 | 320,683 | 1 |
| r20 | NET INCOME OF MAJORITY INTEREST | 8,779,772 | 19 | 8,044,135 | 18 |

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-05

CONSOLIDATED STATEMENTS OF INCOME

- BREAKDOWN OF MAIN CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

| REF R | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|--|--|--------------------|---|------|
| | | Amount | % | Amount | % |
| | | r01 | OPERATING REVENUES | 45,143,042 | 100 |
| r21 | DOMESTIC | 31,639,218 | 70 | 31,230,997 | 71 |
| r22 | FOREIGN | 13,503,824 | 30 | 12,792,913 | 29 |
| r23 | TRANSLATION INTO DOLLARS (***) | 1,221,988 | 3 | 1,102,696 | 3 |
| r06 | COMPREHENSIVE FINANCING COST | 1,123,036 | 100 | 1,152,067 | 100 |
| r24 | INTEREST EXPENSE | 1,869,571 | 166 | 1,391,391 | 121 |
| r42 | LOSS (GAIN) ON RESTATEMENT OF UDI'S | 0 | 0 | 0 | 0 |
| r45 | OTHER FINANCIAL COSTS | 0 | 0 | 0 | 0 |
| r26 | INTEREST INCOME | 428,871 | 38 | 489,019 | 42 |
| r46 | OTHER FINANCIAL PRODUCTS | | | 0 | 0 |
| r25 | FOREIGN EXCHANGE LOSS (GAIN) (NET) | 405,893 | 36 | 884,757 | 77 |
| r28 | RESULT FROM MONETARY POSITION | (723,557) | (64) | (635,062) | (55) |
| r10 | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 3,975,721 | 100 | 4,217,403 | 100 |
| r32 | INCOME TAX | 3,219,254 | 81 | 4,257,250 | 101 |
| r33 | DEFERRED INCOME TAX | (87,990) | (2) | (875,250) | (21) |
| r34 | EMPLOYEE PROFIT SHARING | 844,457 | 21 | 835,403 | 20 |

| | | | | | |
|------------------------|--|---|---|---|---|
| r35 | DEFERRED EMPLOYEE PROFIT SHARING | 0 | 0 | 0 | 0 |
| (***) THOUSAND DOLLARS | | | | | |

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-06

CONSOLIDATED STATEMENTS OF INCOME

- OTHER CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

| REF R | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|--|--|--|
| | | Amount | Amount |
| r36 | TOTAL REVENUES | 45,143,042 | 44,023,910 |
| r37 | TAX RESULT FOR THE YEAR | 0 | 0 |
| r38 | OPERATING REVENUES (**) | 180,535,409 | 177,781,135 |
| r39 | OPERATING INCOME (**) | 49,344,074 | 59,562,298 |
| r40 | NET INCOME OF MAJORITY INTEREST (**) | 29,988,658 | 31,690,501 |
| | | | |

| | | | |
|------|--|------------|------------|
| r41 | NET INCOME (**) | 30,281,859 | 32,674,715 |
| r47 | OPERATIVE DEPRECIATION AND ACCUMULATED | 5,553,320 | 5,783,982 |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | |

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-07

CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

- FROM JANUARY 01 TO MARCH 31, 2006 & 2007 -

(Thousands of Mexican Pesos)

Final printing

| REF RT | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|-----------|------------------------------|--------------------|-----|---------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| rt01 | OPERATING REVENUES | 45,143,042 | 100 | 44,023,910 | 100 |
| rt02 | COST OF SALES AND SERVICES | 23,870,857 | 53 | 23,020,799 | 52 |
| rt03 | GROSS INCOME | 21,272,185 | 47 | 21,003,111 | 48 |
| rt04 | OPERATING EXPENSES | 7,876,088 | 17 | 7,443,532 | 17 |
| rt05 | OPERATING INCOME | 13,396,097 | 30 | 13,559,579 | 31 |
| rt06 | COMPREHENSIVE FINANCING COST | 1,123,036 | 2 | 1,152,067 | 3 |

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| | | | | | |
|------|--|------------|-----|------------|-----|
| rt07 | INCOME AFTER COMPREHENSIVE FINANCING COST | 12,273,061 | 27 | 12,407,512 | 28 |
| rt08 | OTHER EXPENSES AND INCOMES (NET) | (250,151) | (1) | (109,370) | (0) |
| rt44 | SPECIAL ITEMS | 0 | 0 | 0 | 0 |
| rt09 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 12,523,212 | 28 | 12,516,882 | 28 |
| rt10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 3,975,721 | 9 | 4,217,403 | 10 |
| rt11 | NET INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 8,547,491 | 19 | 8,299,479 | 19 |
| rt12 | EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES | 304,996 | 0 | 65,339 | 0 |
| rt13 | CONSOLIDATED NET INCOME OF CONTINUING OPERATIONS | 8,852,487 | 20 | 8,364,818 | 19 |
| rt14 | INCOME FROM DISCONTINUED OPERATIONS (NET) | 0 | 0 | 0 | 0 |
| rt15 | CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS | 8,852,487 | 20 | 8,364,818 | 19 |
| 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 | 8,852,487 | 20 | 8,364,818 | 19 |
| rt19 | NET INCOME OF MINORITY INTEREST | 72,715 | 0 | 320,683 | 1 |
| rt20 | NET INCOME OF MAYORITY INTEREST | 8,779,772 | 19 | 8,044,135 | 18 |
| | | | | | |

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SIFIC/ICS

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 RT | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|-----------|---|---|------|---|------|
| | | Amount | % | Amount | % |
| rt01 | OPERATING REVENUES | 45,143,042 | 100 | 44,023,910 | 100 |
| rt21 | DOMESTIC | 31,639,218 | 70 | 31,230,997 | 71 |
| rt22 | FOREIGN | 13,503,824 | 30 | 12,792,913 | 29 |
| rt23 | TRANSLATION INTO DOLLARS (***) | 1,221,988 | 3 | 1,102,696 | 3 |
| rt06 | COMPREHENSIVE FINANCING COST | 1,123,036 | 100 | 1,152,067 | 100 |
| rt24 | INTEREST EXPENSE | 1,869,571 | 166 | 1,391,391 | 121 |
| rt42 | LOSS (GAIN) ON RESTATEMENT OF UDI'S | 0 | 0 | 0 | 0 |
| rt45 | OTHER FINANCIAL COSTS | 0 | 0 | 0 | 0 |
| rt26 | INTEREST INCOME | 428,871 | 38 | 489,019 | 42 |
| rt46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| rt25 | FOREIGN EXCHANGE LOSS (GAIN) (NET) | 405,893 | 36 | 884,757 | 77 |
| rt28 | RESULT FROM MONETARY POSITION | (723,557) | (64) | (635,062) | (55) |

| | | | | | |
|------------------------|--|-----------|-----|-----------|------|
| rt10 | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 3,975,721 | 100 | 4,217,403 | 100 |
| rt32 | INCOME TAX | 3,219,254 | 81 | 4,257,250 | 101 |
| rt33 | DEFERRED INCOME TAX | (87,990) | (2) | (875,250) | (21) |
| rt34 | EMPLOYEE PROFIT SHARING | 844,457 | 21 | 835,403 | 20 |
| rt35 | DEFERRED EMPLOYEE PROFIT SHARING | 0 | 0 | 0 | 0 |
| (***) THOUSAND DOLLARS | | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-09

CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

- OTHER CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

| REF RT | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|-----------|--|-----------------------------------|------------------------------------|
| | | Amount | Amount |
| rt47 | OPERATIVE DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES | 5,553,320 | 5,783,982 |

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-10

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

- FROM JANUARY 01 TO MARCH 31, 2006 & 2007 -

(Thousands of Mexican Pesos)

Final printing

| REF C | CONCEPTS | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|----------|---|-----------------------|------------------------|
| | | FINANCIAL YEAR | FINANCIAL YEAR |
| | | Amount | Amount |
| c01 | NET INCOME | 8,852,487 | 8,364,818 |
| c02 | (+)(-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING RESOURCES | 6,912,013 | 5,609,347 |
| c03 | CASH FLOW FROM NET INCOME FOR THE YEAR | 15,764,500 | 13,974,165 |
| c04 | CASH FLOW FROM CHANGES IN WORKING CAPITAL | (2,449,338) | (4,232,748) |
| c05 | RESOURCES PROVIDED BY (USED FOR) OPERATING ACTIVITIES | 13,315,162 | 9,741,417 |
| c06 | RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES | 2,168,201 | (6,234,609) |
| c07 | RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING | (7,570,759) | (10,058,968) |

| | ACTIVITIES | | |
|-----|--|-------------|--------------|
| c08 | RESOURCES PROVIDED BY (USED FOR) FINANCING ACTIVITIES | (5,402,558) | (16,293,577) |
| c09 | RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES | (6,457,771) | (4,174,224) |
| c10 | NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS | 1,454,833 | (10,726,384) |
| c11 | CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD | 16,558,255 | 24,820,943 |
| c12 | CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD | 18,013,088 | 14,094,559 |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

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

| REF C | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|----------|-----------------------------------|------------------------------------|
| | | Amount | Amount |
| | | | |

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| | | | |
|-----|---|-------------|--------------|
| c02 | +(-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING RESOURCES | 6,912,013 | 5,609,347 |
| c13 | DEPRECIATION AND AMORTIZATION FOR THE YEAR | 6,112,860 | 6,380,847 |
| c41 | +(-) OTHER ITEMS | 799,153 | (771,500) |
| c04 | CASH FLOW FROM CHANGES IN WORKING CAPITAL | (2,449,338) | (4,232,748) |
| c18 | +(-) DECREASE (INCREASE) IN ACCOUNT RECEIVABLE | 994,827 | (320,113) |
| c19 | +(-) DECREASE (INCREASE) IN INVENTORIES | (28,703) | (379,533) |
| c20 | +(-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLE AND OTHER ASSETS | (1,254,528) | (1,442,775) |
| c21 | +(-) INCREASE (DECREASE) IN SUPPLIERS ACCOUNT | 0 | 0 |
| c22 | +(-) INCREASE (DECREASE) IN OTHER LIABILITIES | (2,160,934) | (2,090,327) |
| c06 | RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES | 2,168,201 | (6,234,609) |
| c23 | + BANK FINANCING | 5,194,371 | 4,949,020 |
| c24 | + STOCK MARKET FINANCING | 143,609 | 135,628 |
| c25 | + DIVIDEND RECEIVED | 0 | 0 |
| c26 | + OTHER FINANCING | 0 | 1,008,002 |
| c27 | (-) BANK FINANCING AMORTIZATION | (1,820,151) | (12,236,478) |
| c28 | (-) STOCK MARKET FINANCING AMORTIZATION | (78,352) | (90,781) |
| c29 | (-) OTHER FINANCING AMORTIZATION | (1,271,276) | 0 |
| c42 | + (-) OTHER ITEMS | 0 | 0 |
| c07 | RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES | (7,570,759) | (10,058,968) |
| c30 | + (-) INCREASE (DECREASE) IN CAPITAL STOCK | (303,464) | (553,445) |
| c31 | (-) DIVIDENDS PAID | (2,043,183) | (2,167,489) |
| c32 | + PREMIUM ON SALE OF SHARES | 0 | 0 |
| c33 | + CONTRIBUTION FOR FUTURE CAPITAL INCREASES | (5,224,112) | (7,338,034) |
| c43 | + (-) OTHER ITEMS | 0 | 0 |
| | | | |

| | | | |
|-----|--|-------------|-------------|
| c09 | RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES | (6,457,771) | (4,174,224) |
| c34 | +(-) DECREASE (INCREASE) IN STOCK INVESTMENTS OF PERMANENT NATURE | (3,491,315) | (689,662) |
| c35 | (-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT | (2,953,076) | (3,810,811) |
| 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 | (13,380) | 326,249 |

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FI-01

DATA PER SHARE

- CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

| REF D | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|---|--------------------------------------|--|---|--|
| | | Amount | | Amount | |
| d01 | BASIC INCOME PER ORDINARY SHARE (**) | \$1.51 | | \$1.48 | |
| d02 | | \$0.00 | | \$0.00 | |

| | | | | | |
|---------------------------------------|---|--------|--------|--------|--------|
| | BASIC INCOME PER PREFERENT SHARE (**) | | | | |
| d03 | DILUTED INCOME PER ORDINARY SHARE (**) | \$0.00 | | \$0.00 | |
| d04 | INCOME FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | \$1.51 | | \$1.48 | |
| d05 | EFFECT OF DISCONTINUOUS OPERATIONS ON INCOME FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | \$0.00 | | \$0.00 | |
| d06 | EFFECT OF EXTRAORDINARY INCOME ON INCOME FROM CONTINUOUS OPERATIONS 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 | \$5.42 | | \$5.14 | |
| d09 | ACUMULATED CASH DIVIDEND PER SHARE | \$0.10 | | \$0.10 | |
| d10 | SHARE DIVIDENDS PER SHARE | 0.00 | shares | 0.00 | shares |
| d11 | MARKET PRICE TO CARRYING VALUE | 3.40 | times | 2.54 | times |
| d12 | MARKET PRICE TO BASIC INCOME PER ORDINARY SHARE (**) | 12.22 | times | 8.81 | times |
| d13 | MARKET PRICE TO BASIC INCOME PER PREFERENT SHARE (**) | 0.00 | times | 0.00 | times |
| (**) | | | | | |
| INFORMATION OF THE PAST TWELVE MONTHS | | | | | |

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FI-02

RATIOS

- CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

| REF P | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|---|--------------------------------------|-------|---|-------|
| | YIELD | | | | |
| p01 | NET INCOME TO OPERATING REVENUES | 19.60% | | 19.00% | |
| p02 | NET INCOME TO STOCKHOLDERS' EQUITY (**) | 27.84% | | 28.77% | |
| p03 | NET INCOME TO TOTAL ASSETS (**) | 11.14% | | 12.47% | |
| p04 | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME | 6.98% | | 7.05% | |
| p05 | INCOME DUE TO MONETARY POSITION TO NET INCOME | 8.17% | | 7.59% | |
| | ACTIVITY | | | | |
| p06 | OPERATING REVENUES TO TOTAL ASSETS (**) | 0.66 | times | 0.67 | times |
| p07 | OPERATING REVENUES TO FIXED ASSETS (**) | 1.14 | times | 1.09 | times |
| p08 | INVENTORIES ROTATION (**) | 42.99 | times | 79.84 | times |
| p09 | ACCOUNTS RECEIVABLE IN DAYS OF SALES | 49.34 | days | 45.96 | days |
| p10 | INTEREST PAID TO TOTAL LIABILITIES WITH COST (**) | 8.31% | | 8.85% | |
| | LEVERAGE | | | | |
| p11 | TOTAL LIABILITIES TO TOTAL ASSETS | 59.51% | | 53.39% | |
| p12 | | 1.46 | times | 1.14 | times |

| | | | | | |
|--|--|---------|-------|--------|-------|
| | TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY | | | | |
| p13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 57.32% | | 55.70% | |
| p14 | LONG-TERM LIABILITIES TO FIXED ASSETS | 60.38% | | 52.22% | |
| p15 | OPERATING INCOME TO INTEREST PAID | 7.16 | times | 9.74 | times |
| p16 | OPERATING REVENUES TO TOTAL LIABILITIES (**) | 1.11 | times | 1.27 | times |
| | LIQUIDITY | | | | |
| p17 | CURRENT ASSETS TO CURRENT LIABILITIES | 1.32 | times | 1.39 | times |
| p18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 1.29 | times | 1.36 | times |
| p19 | CURRENT ASSETS TO TOTAL LIABILITIES | 0.39 | times | 0.36 | times |
| p20 | AVAILABLE ASSETS TO CURRENT LIABILITIES | 37.64% | | 38.26% | |
| | STATEMENT OF CHANGES IN FINANCIAL POSITION | | | | |
| p21 | CASH FLOW FROM NET INCOME TO OPERATING REVENUES | 34.92% | | 31.74% | |
| p22 | CASH FLOW FROM CHANGES IN WORKING CAPITAL TO OPERATING REVENUES | -5.42% | | -9.61% | |
| p23 | RESOURCES PROVIDED BY OPERATING ACTIVITIES TO INTEREST PAID | 7.12 | times | 7.00 | times |
| p24 | EXTERNAL FINANCING TO RESOURCES PROVIDED BY (USED FOR) FINANCING | -40.13% | | 38.26% | |
| p25 | INTERNAL FINANCING TO RESOURCES PROVIDED BY (USED FOR) FINANCING | 140.13% | | 61.73% | |
| p26 | ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT TO RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES | 45.72% | | 91.29% | |
| (**) INFORMATION OF THE PAST TWELVE MONTHS | | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 1

CHIEF EXECUTIVE OFFICER REPORT

Consolidated

Final printing

Highlights

1st Quarter 2007

- In Mexico during the first quarter, we added 304 thousand broadband Prodigy Infinitum (ADSL) customers, bringing the total to 2.1 million users, an increase of 75.3% compared with the same period of 2006. In the corporate customers segment, billed line equivalents for data transmission increased 11.1% compared with last year's first quarter.
- To facilitate Internet access, TELMEX has eased acquisition of computer equipment by providing financing for up to 3 years. That program has resulted in the supply of 1 million 134 thousand computers. In addition, more than 31 thousand computers have been donated in key sectors like education where they contribute to the development of the country. There is still a wide margin for growth since only 20.5% of households in Mexico have at least one computer, according to the INEGI (National Institute of Statistics, Geography and Data Processing).
- Our world-class technological platform allows us to offer high speed Internet service in 93.7% of TELMEX 's network. In order to increase broadband service penetration as well as continue our commitment to develop digital culture in Mexico, during the first quarter of 2007 we enhanced the Infinitum offering by integrating new multi-service packages with voice services at preferred prices. Additionally, the broadband Internet access price per equivalent unit of 100 Kbps at present is 26 pesos plus 3.9 pesos of Value Added Tax, for a total of 29.9 pesos, and technological advances will allow the price to continue to decline.
- In Mexico, there are hundreds of concessionaires and/or licenses to provide telecommunications services. TELMEX is the only company that invests in every socio-economic segment and in segments A and B we have a market share of 66% where we compete with other operators, specifically in segment A we have a market share of 49.7% and in segment B, we have a market share of 72.8%. Our long-standing commitment to provide telecommunications services nationwide has led to being the only fixed line operator in the country with a presence in socio-economic segments C-, D and E.

- From January to March, lines increased 33 thousand from year-end 2006, bringing the total at the end of the first quarter to 18.3 million lines in service. During the quarter, we continued to focus on growth with profitability to satisfy the service needs of every segment of the population.
- Including traffic generated by domestic and international calling party pays, domestic long distance, international incoming and outgoing minutes increased 2.2%, 2.2% and 20.5%, respectively. In the quarter, domestic and international calling party pays service traffic totaled 987 million minutes.
- In Brazil, the main revenue generators continued to increase. At Embratel, line equivalents of 64 Kbps increased 29.3%, local service access 32.2% and domestic long distance traffic increased 3.8% compared with last year's first quarter. The Net Fone (triple play service) offered through Net Sreviços reached 257 thousand customers at the end of the first quarter.
- In Latin America, where we compete with dominant telephony companies that have been in operation for many years in the region and are already in the digital convergence stage offering voice, data and video services (triple play), we focused on acquiring cable TV companies as a means to access not only the end customer but also technological platforms that provides us with the advantage of evolving from video to an integrated offering of voice, data and video (triple play) in Brazil, Colombia and Peru.
- In Colombia we reached an agreement to acquire Cablecentro S.A. and Satelcaribe S.A., companies that provide cable TV and will potentially allow us to serve, along with Superview and Cable Pacífico, a base of 3.9 million homes passed.
- In the first quarter, consolidated revenues reached 45.1 billion pesos, 2.5% higher than the same period of 2006. Revenues from the operations in Mexico totaled 32.6 billion pesos, an increase of 3.3% compared with last year's first quarter. In Brazil, revenues totaled the equivalent of 2.1 billion reais in the quarter, 3.8% higher than the same quarter of 2006. In the other Latin American operations total revenues were the equivalent of 104 million dollars.
- Consolidated EBITDA (1) totaled 19.5 billion pesos, a decrease of 2.2% due to an increase in interconnection expenses in Mexico reflecting the introduction of domestic and international calling party pays. The consolidated EBITDA (1) margin was 43.2%. Consolidated operating income totaled 13.4 billion pesos, a decrease of 1.2%, compared with the first quarter of 2006.
- Majority net income in the quarter was 9.1% higher than the same period of the previous year and totaled 8.8 billion pesos. Earnings per share were 44 Mexican cents, an increase of 15.8% compared with the same period of last year, and earnings per ADR were 80 US cents, an increase of 23.1%, compared with the first quarter of 2006.

- In the quarter, consolidated net debt (3) increased the equivalent of 127 million dollars to a total of 7.646 billion dollars.

- Consolidated capital expenditures (Capex) was equivalent to 267 million dollars in the quarter. Share repurchases totaled 5.528 billion pesos during the period.

1. (3) EBITDA: defined as operating income plus depreciation and amortization. Go to www.telmex.com in the Investor Relations section where you will find the reconciliation of EBITDA to operating income.
2. One ADR represents 20 shares.
3. Net debt is defined as total debt less cash and cash equivalents and marketable securities.

Recent Events

Calling for Shareholders' Meetings

On March 14, 2007, the Board of Directors resolved to call for series "L" Special and Annual Shareholders' Meetings, to be held on April 27, 2007, in order to discuss, among other matters, the following proposals: the presentation of the Chief Executive Officer's report, the financial statements for fiscal year 2006 and other reports required by law; the designation or ratification, as the case may be, of the members of the Board of Directors; the ratification of the activities of the Board of Directors and the Chief Executive Officer; to declare a cash dividend of \$0.45 Mexican pesos per outstanding share in four equal payments of \$0.1125 Mexican pesos per share, resulting from the net tax profit account. Dividend payments are proposed to be made in Mexico on June 21, 2007, September 20, 2007, December 20, 2007, and March 27, 2008. Also, shareholders will be asked to approve an increase of 15 billion Mexican pesos in the funds allocated to purchase the company's own shares.

Negotiations to acquire a stake in Olimpia

On April 1, 2007, TELMEX announced that in conjunction with América Móvil S.A.B. de C.V. ("América Móvil"), that it reached an exclusive agreement with Pirelli & C.S.p.A to acquire from Pirelli and Sintonia one third of the share capital of Italian company Olimpia. This company owns 18% of the total stock of Telecom Italia. TELMEX and América Móvil will acquire one third of the stock of Olimpia, in equal parts. The other third of the stock would be purchased by U.S. telecommunications company AT&T.

On April 16, TELMEX announced that after the withdrawal by U.S. telecommunications company AT&T from the negotiations, it will continue, in conjunction with América Móvil, considering different alternatives for a potential investment in Olimpia.

Acquisition of Cablecentro and Satelcaribe in Colombia

On April 4, 2007, TELMEX announced that it reached an agreement with the controlling partners of Unión de Cableoperadores del Centro, Cablecentro S.A. and the controlling partners of Satelcaribe S.A. to acquire 100% of the operations of Cablecentro and Satelcaribe.

Both transactions are subject to corresponding regulatory approvals and other conditions.

Issuance of Domestic Senior Notes ("Certificados Bursátiles") for 9.5 billion pesos

On April 23, 2007, TELMEX placed Domestic Senior Notes ("Certificados Bursátiles") for 9.5 billion pesos in two tranches, the first one for 5 billion pesos due in 30 years at a fixed rate of 8.36% and the second one for 4.5 billion pesos due in 5 years at a rate of THIE less 10 basis points.

Consolidated Income Statements

Revenues:

In the first quarter, consolidated revenues increased 2.5% compared with the same period of the previous year, reaching 45.143 billion pesos, mainly due to the increase of 13% in Internet revenues, 28% in interconnection revenues related to revenues from domestic and international calling party pays service, and 44.6% in other revenues, comprised primarily of Yellow Pages and Tiendas TELMEX (TELMEX stores). On the other hand, local service revenues, domestic long distance and international long distance revenues decreased 3.1%, 3.2% and 10.2%, respectively.

Costs and expenses

: From January to March, costs and expenses increased 4.2% compared with the same period of 2006, totaling 31.747 billion pesos. Major factors in those results were the increase in interconnection charges in Mexico from the introduction of domestic and international calling party pays in November 2006 and higher costs related to computer sales and the integration of cable TV companies in Colombia. These effects were partially offset by initiatives that were carried out to optimize resource use.

EBITDA (1) and operating income:

Consolidated EBITDA (1) totaled 19.509 billion pesos in the first quarter, a decrease of 2.2% compared with the same period of 2006. The EBITDA margin was 43.2%. Consolidated operating income totaled 13.396 billion pesos, 1.2% lower than the first quarter of 2006, with a margin of 29.7%, 1.1 percentage points lower than the first quarter of 2006.

Comprehensive financing cost:

Comprehensive financing cost produced a charge of 1.123 billion pesos in the quarter, 2.5% lower than the same period of 2006. This resulted from: i) net interest expense of 1.441 billion pesos, reflecting an increase in the level of debt from a year earlier and a change in the market value of 14.160 billion pesos of interest rate swaps, ii) a net exchange loss of 406 million pesos from the first-quarter exchange rate devaluation of 0.1752 pesos per dollar, partially offset by 6.040 billion dollars in dollar-peso hedges (weighted average exchange rate: 11.06 pesos per dollar) and 620 million dollars in dollar-reais hedges (weighted average exchange rate: 2.2159 reais per dollar), and iii) a gain in the monetary position of 724 million pesos.

Majority net income:

Majority net income in the first quarter totaled 8.780 billion pesos, 9.1% higher than the same period of the previous year. Earnings per share were 44 Mexican cents, an increase of 15.8% compared with the same period of the previous year, and earnings per ADR were 80 US cents, an increase of 23.1% compared with the same period of 2006.

Investments:

In the quarter, consolidated capital expenditures (capex) was the equivalent of 267 million dollars, of which 78.6% was used for growth projects in the voice, data and transport infrastructure, 18.9% for operational support projects and operating needs, and 2.5% for social telephony.

Debt:

Gross total debt at March 31 was the equivalent of 9.542 billion dollars, an increase of 1.695 billion dollars from a year ago. Consolidated net debt (3) increased in the quarter the equivalent of approximately 127 million dollars, totaling 7.646 billion dollars.

(3) Net debt is defined as total debt less cash and cash equivalents and marketable securities.

Repurchase of shares:

In the first quarter the company used 5.528 billion pesos to repurchase 333 million 265 thousand of its own shares.

Mexico Operating Results

Lines in service

In Mexico, there are hundreds of concessionaires and/or licenses to provide telecommunications services. TELMEX is the only company that invests in every socio-economic segment and in segments A and B we have a market share of 66% where we compete with other operators, specifically in segment A we have a market share of 49.7% and in segment B, we have a market share of 72.8%. Our long-standing commitment to provide telecommunications services nationwide has led to being the only fixed line operator in the country with a presence in socio-economic segments C-, D and E.

From January to March, lines increased 33 thousand from year-end 2006, bringing the total at the end of the first quarter to 18.3 million lines in service. During the quarter, we continued to focus on growth with profitability to satisfy the service needs of every segment of the population.

Local traffic

During the first quarter, local traffic decreased 5.6% compared with the same period in 2006, with a total of 6.278 billion local calls. Local traffic volume has been affected by intense competition from local and wireless telephony and by the migration of our switched traffic to corporate networks, a trend that strengthens the data business although it adversely affects local traffic. Also affecting local traffic results is the continuing migration of dial-up Internet

services to Infinitum broadband services (ADSL).

Long distance traffic

Domestic long distance (DLD) increased 2.2% compared with the first quarter of 2006, totaling 4.470 billion minutes, mainly due to the introduction of packages that provide incentives for usage but at the same time reduce revenue per unit and for the integration of domestic calling party pays service, which reached 564 million minutes in the quarter.

In the quarter, outgoing international long distance (ILD) traffic increased 2.2% totaling 477 million minutes due to package offerings. ILD incoming long distance traffic including international calling party pays traffic increased 20.5% compared with the same period of the previous year, totaling 1.988 billion minutes. The incoming-outgoing ratio was 4.2.

Interconnection

In the first quarter, interconnection traffic increased 20.2%, totaling 10.833 billion minutes. Calling party pays traffic increased 64.8% since it includes traffic from domestic and international calling party pays. If we eliminate this effect, calling party pays traffic would have increased 6.8%. Traffic from local and international operators, as well as traffic generated by cellular companies that is terminated in TELMEX's network increased 4.5% and 28.8%, respectively, compared with the same period of the previous year.

Internet and Corporate networks

In Mexico during the first quarter, we added 304 thousand broadband Prodigy Infinitum (ADSL) customers, bringing the total to 2.1 million services, an increase of 75.3% compared with the same period of 2006. The growth of Internet services has been supported by the sale of PC's.

To facilitate Internet access, TELMEX has eased acquisition of computer equipment by providing financing for up to 3 years. That program has resulted in the supply of 1 million 134 thousand computers. In addition, more than 31 thousand computers have been donated in key sectors like education where they contribute to the development of the country. There is still a wide margin for growth since only 20.5% of households in Mexico have at least one computer, according to the INEGI (National Institute of Statistics, Geography and Data Processing).

Our world-class technological platform allows us to offer high speed Internet service in 93.7% of TELMEX 's network. In order to increase broadband service penetration as well as continue our commitment to develop digital culture in Mexico, during the first quarter of 2007 we enhanced the Infinitum offering by integrating new multi-service packages with voice services at preferred prices. Additionally, the broadband Internet access price per equivalent unit of 100 Kbps at present is 26 pesos plus 3.9 pesos of Value Added Tax, for a total of 29.9 pesos, and technological advances will allow the price to continue to decline.

Billed line equivalents to corporate customers increased 11.1% compared with the previous year, totaling 2.3 million line equivalents of 64 Kbps.

Mexico Financial Results

Revenues:

Revenues in the first quarter totaled 32.6 billion pesos, an increase of 3.3% compared with the same period of the previous year, due the increases of 14.5% in revenues of Internet access, 33.5% in interconnection revenues because of the introduction of domestic and international calling party pays, and 40.9% in other revenues, mainly comprised by Yellow Pages and Tiendas TELMEX (TELMEX Stores), partially offset by the rate reduction in real terms of local and long distance services, as well as the introduction of packages that increased voice services usage but decreased the revenue per unit.

- Local:

Local revenues totaled 13.6 billion pesos in the first quarter, a decrease of 4.6%, reflecting the reduction of the average measured service rate 1.4% and the decrease of public telephony traffic due to competition from both cellular companies and other fixed telephony operators and the migration of dial-up Internet access to broadband services.

- DLD:

DLD revenues totaled 4.2 billion pesos in the first quarter, 5.2% lower than the first quarter of 2006 due to a 6.9% decrease in the average revenue per minute in real terms and because the increase in traffic was not enough to offset the decrease in prices.

- ILD:

In the first quarter, ILD revenues totaled 2.4 billion pesos, a decrease of 8.1% compared with the first quarter of 2006. Revenues from outgoing traffic declined 11.2% to 1.5 billion pesos due to the 13% decrease in the average revenue per minute in real terms and because the increase in traffic volume was not enough to offset the decrease in prices. Incoming international long distance revenues totaled 907 million pesos, a decrease of 2.6%.

- Interconnection:

In the first quarter, interconnection revenues increased 33.5% to 5.4 billion pesos compared with the same period of 2006, due to the introduction of domestic and international calling party pays. If we eliminate this effect, interconnection revenues would have decreased 6.2%, because of the 10% reduction of the local calling party pays rate.

- Corporate networks:

In the first quarter, revenues from services related to data transmission through private and managed networks totaled 2.6 billion pesos, a decrease of 1.6% compared with the same period of 2006. This reduction was due to more

competition in this market that has caused a reduction in prices.

- Internet:

Revenues from services related to the Internet platform rose 14.5% in the first quarter, or 2.6 billion pesos, due to the increase in the number of broadband (Infinitum) customers.

Costs and expenses:

In the first quarter, total costs and expenses were 20.6 billion pesos, an increase of 4.6%. This increase was due to higher interconnection costs (domestic and international calling party pays). If this effect were eliminated, costs and expenses would have decreased 2.6% as a result of cost control initiatives, as well as lower depreciation and amortization charges.

- Cost of sales and services:

In the first quarter, cost of sales and services increased 1.2%, totaling 7.4 billion pesos, a net effect of the decrease in maintenance expenses and to the initiatives that were carried out to optimize resource use and the recognition of higher computer costs related with higher sales.

- Commercial, administrative and general:

Commercial, administrative and general expenses decreased 2.6% compared with the same period of the previous year to 4.7 billion pesos due to the introduction of higher cost control measures in advertising and commercial expenses.

- Transport and interconnection:

In the first quarter, transport and interconnection costs totaled 4.1 billion pesos, an increase of 41.9% compared with the same period of 2006 due to the introduction of domestic and international calling party pays.

- Depreciation and amortization:

In the quarter, depreciation and amortization decreased 6% to 4.4 billion pesos compared with the same period of 2006, due to less impact from restatement of the value of fixed assets and lower levels of investment carried out in recent years.

EBITDA (1) and operating income

: EBITDA (1) totaled 16.4 billion pesos in the first quarter, a decrease of 0.9% compared with the same period of last year. The EBITDA margin was 50.3%. Operating income totaled 11.9 billion pesos, 1.1% higher than the first quarter of 2006, and the operating margin was 36.6%.

Investments:

In Mexico, total capital expenditures (capex) were 134 million dollars, of which 83.9% was used for growth and modernization projects for the voice, data and transport infrastructure, 10.9% for operational support projects and operating needs, and 5.2% for social telephony.

Debt:

At March 31, total debt was the equivalent of 8.277 billion dollars, an increase of 1.169 billion dollars compared with last year. Net debt (3) in Mexico increased the equivalent of 632 million dollars to a total of 6.794 billion dollars.

(3) Net debt is defined as total debt less cash and cash equivalents and marketable securities.

Latin America Financial Results

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

Brazil

At Embratel, efforts have been focused on consolidating its position in the data business for the commercial segment and increasing local service offerings, resulting in an increase of 29.3% in billed line equivalents and an increase in lines in service of 32.2% compared with the first quarter of 2006. Local and domestic long distance traffic showed increases of 24.2% and 3.8% in the quarter, respectively. At March 31, the company provided Net Fone (triple play) services through Net Serviços infrastructure to 257 thousand customers.

In the first quarter, revenues from the operations in Brazil totaled 2.115 billion reais, 3.8% higher than the same quarter of the previous year. Higher revenues were mainly due to the 36.7% increase in local services and the 2.6% increase in data services. These revenues were offset by the 12.4% decrease in international long distance revenues due to the 7.9% reduction in the average revenue per unit.

Total costs and expenses were 1.885 billion reais, an increase of 5%. The increase was due to higher charges for maintenance and costs of equipment (handsets) generated by higher local service sales and to the increase in provisions for uncollectables.

EBITDA (1) totaled 535 million reals in the first quarter, an increase of 1.4% compared with the same period of the previous year, with a margin of 25.3%. Operating income totaled 230 million reals in the quarter, a decrease of 4.6% compared with the same period of 2006. The operating margin was 10.9%

Argentina

In the quarter, revenues from the operations in Argentina totaled 87.3 million Argentinean pesos, an increase of 4.9% compared with the same period of the previous year due to increases in revenues in the corporate and Internet businesses and local services of 19% and 33.3%, respectively, offset by the decrease in interconnection revenues with other operators.

Operating costs and expenses totaled 86.1 million Argentinean pesos in the quarter, a decrease of 2% due to the decline in transport and interconnection costs, offset by higher network maintenance costs due to growth in local services. In the quarter, EBITDA (1) totaled 17 million Argentinean pesos, an increase of 154% compared with the same period of 2006 with a margin of 19.5%. Operating income reached 1.2 million Argentinean pesos in the quarter compared with a loss of 4.7 million Argentinean pesos in the same period of the previous year.

Colombia

In Colombia, revenues totaled 59.828 billion Colombian pesos in the first quarter, 42.2% higher than the same period of 2006. Higher revenues were mainly due to the integration of sites for several corporate customers and the integration of Superview (a cable TV company) since November 2006, which contributed 12.619 billion Colombian pesos to first-quarter results.

Costs and expenses increased 63.7%, totaling 47.264 billion Colombian pesos, mainly due to the incorporation of Superview, which accounted for 12.812 billion Colombian pesos, to higher personnel expenses to develop the small and medium-sized market in this country, and to expenses related to the acquisition of cable TV companies. Operating income totaled 12.563 billion Colombian pesos compared with operating income of 13.192 billion Colombian pesos in the year-ago first quarter, a decrease of 4.8%. The operating margin was 21%. EBITDA (1) totaled 23.039 billion Colombian pesos with a margin of 38.5%, compared with EBITDA (1) of 20.469 billion Colombian pesos in the same period of the previous year.

Chile

In the first quarter, revenues totaled 17.058 billion Chilean pesos, an increase of 1.1% compared with the same period of 2006. Revenues from the corporate networks, Internet access and local service businesses increased 27.8%, 7.6% and 57.2%, respectively, compared with the same quarter of 2006. The Chilean long distance market continues to decrease due to the migration to mobile services and private networks, which caused a decline in long distance revenues of 10.8%, compared with the first quarter of the previous year.

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Costs and expenses in the first quarter totaled 18.413 billion Chilean pesos, an increase of 15.3% compared with the same period of 2006. Costs of sales and services increased 23.7% due to the increase in network maintenance costs related to growth in local services. Commercial, administrative and general expenses increased 22.5% due to higher personnel and advertising expenses. In the quarter, there was an operating loss of 1.356 billion Chilean pesos compared with operating income of 904 million Chilean pesos in the same period of the previous year. EBITDA (1) in the quarter totaled 2.100 billion Chilean pesos with a margin of 12.3%.

Peru

From January to March, total revenues were 56.3 million New Soles, an increase of 11% compared with the same period of 2006. The data business, which represents 35.5% of revenues, increased 22%. Voice business revenues increased 1.5% due to the 29.6% increase in lines in service that offset the decrease in interconnection revenues with other operators.

In the quarter, costs and expenses grew 12.6% due to the increase of 10.6% in transport and interconnection costs compared with 2006. Operating income in the quarter totaled 0.9 million New Soles compared with 1.5 million New Soles in the same period of 2006. EBITDA (1) in the first quarter totaled 14.4 million New Soles, at a similar level of the same period of 2006.

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 2007 and 2006.

Mexico Local Service Business

Income Statements

[millions of Mexican constant pesos as of March, 2007]

| | 1Q2007 | 1Q2006 | % |
|-----------------------------------|---------------|---------------|--------------|
| Revenues | | | |
| Access, rent and measured service | Ps. 13,338 | Ps. 14,192 | (6.0) |
| LADA interconnection | 978 | 1,078 | (9.3) |
| Interconnection with operators | 377 | 356 | 5.9 |
| Interconnection with cellular | 3,480 | 3,658 | (4.9) |
| Other | 2,881 | 2,254 | 27.8 |
| Total | 21,054 | 21,538 | (2.2) |

Costs and expenses

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| | | | |
|--|-----------|-----------|--------|
| Cost of sales and services | 5,013 | 5,015 | (0.0) |
| Commercial, administrative and general | 3,980 | 4,229 | (5.9) |
| Interconnection | 2,564 | 2,789 | (8.1) |
| Depreciation and amortization | 2,946 | 3,139 | (6.1) |
| Total | 14,503 | 15,172 | (4.4) |
| Operating income | Ps. 6,551 | Ps. 6,366 | 2.9 |
| EBITDA (1) | Ps. 9,497 | Ps. 9,505 | (0.1) |
| EBITDA margin (%) | 45.1 | 44.1 | 1.0 |
| Operating margin (%) | 31.1 | 29.6 | 1.5 |
| Mexico Long Distance Service Business | | | |
| Income Statements | | | |
| [millions of Mexican constant pesos as of March, 2007] | | | % |
| | 1Q2007 | 1Q2006 | Inc. |
| Revenues | | | |
| Domestic long distance | Ps. 4,937 | Ps. 4,250 | 16.2 |
| International long distance | 2,711 | 2,241 | 21.0 |
| Total | 7,648 | 6,491 | 17.8 |
| Costs and expenses | | | |
| Cost of sales and services | 1,429 | 1,467 | (2.6) |
| Commercial, administrative and general | 1,225 | 1,352 | (9.4) |
| Interconnection to the local network | 2,188 | 949 | 130.6 |
| Depreciation and amortization | 542 | 622 | (12.9) |
| Total | 5,384 | 4,390 | 22.6 |
| Operating income | Ps. 2,264 | Ps. 2,101 | 7.8 |
| EBITDA (1) | Ps. 2,806 | Ps. 2,723 | 3.0 |
| EBITDA margin (%) | 36.7 | 42.0 | (5.3) |
| Operating margin (%) | 29.6 | 32.4 | (2.8) |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Thousands of Mexican Pesos)

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S 87 OTHERS

In this item there are included the inventories for telephone plant operation that at March 31, 2007 and 2006 rose \$2,976,391 and \$2,349,013, respectively which are valued by the average cost method and are updated based on the specific index method, without exceeding their market value.

S 84 INTANGIBLE ASSETS FOR LABOR OBLIGATIONS

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, 2007 and 2006, 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, 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, there are included the banks' credits related to purchase programs to suppliers that have been traditionally reported in the suppliers' credits item of the Balance Sheet because long-term opening to suppliers does not exist in EMISNET.

On October 20, 2005, TELMEX entered into an agreement to restructure the syndicated loan contracted 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 and has a four-year maturity and the second one for 1 billion dollars and has a six-year maturity. No penalties were assessed for the restructuring of the syndicated loan.

On August 11, 2006 the loan was restructured again in order to improve the credit terms and increasing the total loan amount to 3 billion dollars divided in three tranches, the first one for 1.3 billion dollars with a three-year maturity, the second one for 1 billion dollars with a five-year maturity years and the third one for 700 million dollars with a seven-year maturity

On June 30, 2006 Telmex entered into a syndicated loan agreement in the amount for 500 million dollars divided into two tranches of 250 million dollars each, with a four-year and six-year maturity, respectively.

S 24 AND S 29 STOCK MARKET LOANS

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 million and U.S. \$800 million, respectively.

On January 26, 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 semi-annually.

In the second half of year 2006, the Company entered into cross currency swaps to hedge the exchange rate and interest rate risks related to the issuance of bonds with maturity in 2010 and 2015 for a total of 1.750 billion dollars,

with interest rate of 4.75% and 5.5%, respectively, and the 500 million dollars syndicated loan divided in two tranches with maturity in 2010 and 2012 (with interest rates of three-month Libor plus 20 basis points and three-month Libor plus 25 basis points, respectively). These hedges fixed the exchange rate of 10.9275 Mexican pesos per US dollar for the entire life of the bonds and the exchange rate of 10.8458 Mexican pesos per US dollar for the entire life of the syndicated loan. It also allowed Telmex to set a fixed rate of 7.52% and 8.57% for the bonds, respectively, and an interest rate of 28-day "TIIE" interbank rate plus 4 basis points for the syndicated loan.

S 29 STOCK MARKET LOANS (LONG-TERM)

At March 31, 2007 and 2006, this item rose to \$

36,089,425 and \$ **41,915,426**, respectively and is comprised by the following:

| | 2007 | 2006 |
|--------------------------|-----------------|---------------|
| Domestic Senior Notes | Ps 1,200,000 | Ps. 5,244,030 |
| Bonds | 30,389,425 | 31,904,096 |
| Global peso Senior Notes | Ps 4,500,000 | 4,767,300 |

S 32 OTHER LIABILITIES

At March 31, 2007 and 2006, this item rose to Ps

2,157,605 and Ps. **2,163,132**, respectively, that corresponds to Embratel's labor obligations, as well as the actuarial obligations for labor termination in Mexico in the amount of Ps. **234,005 and 149,196**, based on the requirements of Bulletin D-3.

S 42 RETAINED EARNINGS AND CAPITAL RESERVES

In October 9, 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. \$ 15,931,293 (face value).

From January to March 2007, the Company acquired

332.4 billion Series L shares for Ps. 5,513,231 (historical cost of Ps. 5,503,271) and 860,700 million Series A shares for Ps. 14,346 (historical cost of Ps. 14,316).

From January to March 2006, the Company acquired

596.9 million Series L shares for Ps. 7,728,801 (historical cost of Ps. 7,412,365) and 1.9 million Series A shares for Ps. 26,359 (historical cost of Ps. 25,251).

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

S 58 OTHER CURRENT LIABILITIES

At March 31, 2007 and 2006, this item rose to Ps.

31,742,584 and Ps. 27,117,958 respectively and is comprised by the following concepts:

| | 2007 | 2006 |
|---------------------------|-------------------|-------------------|
| A c c o u n t s payable | Ps. 16,918,207 | Ps. 16,526,667 |
| A c c r u e d liabilities | 12,390,775 | 8,494,376 |
| D e f e r r e d credits | 2,433,602 | 2,096,915 |

S 73 PENSION FUND AND SENIORITY PREMIUMS

The Company has pensions plans and seniority benefit 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 2007, there were not 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.

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

EMISNET 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.

RECLASIFICACIONES

Some of the figures of the 2006 financial statements have been reclassified to conform the presentation with the same used in the 2007 year.

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 3a

SHARE INVESTMENTS SUBSIDIARIES

Consolidated

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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 |

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| | | | |
|--|--|-----------------|--------|
| Operadora Mercantil, S.A. de C.V. | Marketing services | 50,000 | 100.00 |
| Impulsora Mexicana de Telecomunicaciones, S.A. | Network projects | 4,602,225 | 100.00 |
| 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. | Telecommunication 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. | Telecommunication services | 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. | Investments in all types of businesses | 5,296,722 | 100.00 |
| Telcoser, S.A. de C.V. | Investments in all types of businesses | 17,230,931 | 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. | Telecommunication services | 364,172,289 | 100.00 |
| Arrendadora de Servicios de Telecomunicaciones S.A. | Leasing | 200,000 | 100.00 |
| Telmex Chile Holding S.A. | Telecommunication services | 158,829,369,072 | 100.00 |
| Telmex Colombia S. A. | Telecommunication services | 176,669,199 | 100.00 |
| Superview Telecomunicaciones, S.A. | Cable TV operator | 57,447,495 | 99.15 |
| Telmex Perú S. A. | Telecommunication services | 4,187,416 | 100.00 |
| Creo Sistemas S.A.C. | Telecommunication services | 162,418 | 100.00 |
| Embratel Participações, S.A. | Telecommunication services | 963,671,572,028 | 97.46 |
| TV Cable, S. A. | Cable TV operator | 2,361,500,432 | 100.00 |

| | | | |
|-----------------------------------|----------------------------|------------|--------|
| TV Cable del Pacífico, S.A.E.S.P. | Cable TV operator | 500,000 | 100.00 |
| Boga Comunicaciones, S. A. | Cable TV operator | 49,042,103 | 100.00 |
| Ecuador Telecom, S. A. | Telecommunication services | 1,000,000 | 100.00 |

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 3b

SHARE INVESTMENTS AFFILATES

Consolidated

Final printing

| COMPANY NAME | MAIN ACTIVITIES | NUMBER OF SHARES | OWNERSHIP | TOTAL AMOUNT (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 | 454,777 |
| Centro Histórico de la Ciudad de México, SA de CV | Real estate services | 80,020,000 | 21.77 | 80,020 | 108,982 |
| TM and MS, LLC | Internet portal (TIMSN) | 1 | 50.00 | 29,621 | 57,507 |
| Net Serviços de Comunicação, S.A. | Cable TV operator | 117,755,397 | 38.78 | 5,488,548 | 2,650,959 |
| Eidon Software, S.A. de C.V. | Software development | 35,567,911 | 22.74 | 35,568 | 55,471 |

| | | | | | |
|-----------------------------------|----------------------------|---------------|--------|-----------|-----------|
| 2Wire, Inc. | Broadband Services | 8,619,242 | 13.00 | 648,400 | 160,857 |
| TV Cable, S. A. | Cable TV operator | 2,361,500,432 | 100.00 | 1,366,748 | 1,366,748 |
| TV Cable del Pacífico, S.A.E.S.P. | Cable TV operator | 500,000 | 100.00 | 1,292,171 | 1,292,171 |
| Boga Comunicaciones, S. A. | Cable TV operator | 49,042,103 | 100.00 | 279,828 | 279,828 |
| Ecuador Telecom, S. A. | Telecommunication services | 1,000,000 | 100.00 | 263,514 | 263,514 |
| TOTAL INVESTMENT IN ASSOCIATES | | | | 9,994,556 | 6,690,814 |
| OTHER PERMANENT INVESTMENTS | | | | | 6,607 |
| TOTAL | | | | 9,994,556 | 6,697,421 |

NOTES:

The 38.78% corresponds to the indirect shareholding percentage of TELMEX in Net Serviços de Comunicação S.A. (Net); the direct and indirect interest of Embratel Participações S.A. in Net at March 31, 2007 is 39.87.

TV Cable, S.A., TV Cable del Pacífico, S.A. E.S.P., Boga Comunicaciones, S.A. y Ecuador Telecom, S.A. were acquired in March 2007 and are reported in this quarter as non-consolidated subsidiaries.

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TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 5

CREDITS BREAKDOWN

(Thousands of Mexican Pesos)

Consolidated

Final printing

| | Amortization Date | Interest Rate | Amortization of Credits Denominated in Pesos | | | | | | Amortization of Credits in Foreign Currency | | | | |
|-----|-------------------|---------------|--|--------------|--------------|--------------|--------------|-----------------------|---|--------------|--------------|--------------|--------------|
| | | | 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 | Until 4 Year |
| | | | | | | | | | | | | | |
| | 22/12/2007 | 6.08 | 0 | 0 | 0 | 0 | 0 | 0 | 177,764 | 0 | 0 | 0 | |
| CH | 22/12/2009 | 5.53 | 0 | 0 | 0 | 0 | 0 | 0 | 31,225 | 0 | 6,127 | 3,007 | |
| (1) | 31/12/2014 | 6.33 | 0 | 0 | 0 | 0 | 0 | 0 | 273,453 | 0 | 196,104 | 196,104 | 141, |
| BT | 22/04/2009 | 5.88 | 0 | 0 | 0 | 0 | 0 | 0 | 38,470 | 4,395 | 17,761 | 5,786 | |
| BT | 22/07/2011 | 5.63 | 0 | 0 | 0 | 0 | 0 | 0 | 17,128 | 17,128 | 34,257 | 34,257 | 34, |
| | 10/10/2011 | 6.21 | 0 | 0 | 0 | 0 | 0 | 0 | 947,222 | 0 | 947,222 | 947,222 | 947, |
| | 15/01/2016 | 5.68 | 0 | 0 | 0 | 0 | 0 | 0 | 184,182 | 184,182 | 368,364 | 368,364 | 368, |
| | 31/03/2022 | 2.00 | 0 | 0 | 0 | 0 | 0 | 0 | 13,797 | 8,081 | 21,878 | 21,878 | 21, |
| | 14/05/2007 | 6.08 | 0 | 0 | 0 | 0 | 0 | 0 | 15 | 0 | 0 | 0 | |
| ES | 30/11/2013 | 6.49 | 0 | 0 | 0 | 0 | 0 | 0 | 705,423 | 184,528 | 1,835,299 | 1,261,938 | 1,103, |
| ES | 01/07/2027 | 7.67 | 0 | 0 | 0 | 0 | 0 | 0 | 2,907,736 | 129,221 | 3,455,631 | 629,106 | 572, |
| BT | | | | | | | | | | | | | |

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| | | | | | | | | | | | | | |
|----|------------|-------|-----------|---|---|-----------|---|-----------|-----------|---------|-----------|------------|------------|
| | | | | | | | | | | | | | |
| A. | 22/02/2010 | 7.36 | 0 | 0 | 0 | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) | 26/02/2010 | 7.41 | 0 | 0 | 0 | 1,300,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|) | 07/07/2010 | 5.53 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,762, |
|) | 07/07/2012 | 5.58 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| A. | 20/10/2009 | 5.53 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,365,910 |
| A. | 20/10/2011 | 5.58 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| A. | 11/08/2013 | 5.65 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | |
| S | | | 0 | 0 | 0 | 2,800,000 | 0 | 0 | 5,296,415 | 527,535 | 6,882,643 | 17,833,572 | 5,951, |
| ET | | | | | | | | | | | | | |
| K | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| T | 31/05/2012 | 11.05 | 1,000,000 | 0 | 0 | 400,000 | 0 | 300,000 | 0 | 0 | 0 | 0 | 0 |
| T | 26/10/2007 | 8.18 | 3,250,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| T | 15/09/2011 | 7.64 | 0 | 0 | 0 | 0 | 0 | 500,000 | 0 | 0 | 0 | 0 | 0 |
| | 19/11/2008 | 4.50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,050,700 | 0 |
| | 27/01/2015 | 5.50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 27/01/2010 | 4.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,498,165 |
| | 31/01/2016 | 8.75 | 0 | 0 | 0 | 0 | 0 | 4,500,000 | 0 | 0 | 0 | 0 | 0 |
| BT | | | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|---------------------------------------|--|--|------------|---|---|-----------|---|-----------|-----------|---------|------------|------------|-----------|
| S | | | | | | | | | | | | | |
| BT | | | | | | | | | | | | | |
| K | | | 4,250,000 | 0 | 0 | 400,000 | 0 | 5,300,000 | 0 | 0 | 11,050,700 | 10,498,165 | |
| | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| CURRENT LIABILITIES AND OTHER CREDITS | | | | | | | | | | | | | |
| CURRENT | | | 31,742,584 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | |
| | | | 35,992,584 | 0 | 0 | 3,200,000 | 0 | 5,300,000 | 5,296,415 | 527,535 | 17,933,343 | 28,331,737 | 5,951,000 |

NOTES:

A.- Interest rates:

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

1. Libor plus margin
2. Fixed Rate
3. TIIE
4. TIIE plus margin
5. CETES plus margin
6. Local rate plus margin

B.- The following rates were considered:

1. Libor at 6 months in U S dollars is equivalent to 5.3297 at March 30, 2007

2. TIIE at 28 days is equivalent to 7.4550 at March 30, 2007

3. TIIE at 91 days is equivalent to 7.6600 at March 29, 2007

4. CETES

at 182 days is equivalent to 7.2800 at March 29, 2007

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, 2007 were as follows:

| CURRENCY | AMOUNT | E.R. |
|--------------|-----------|-------|
| DOLLAR (USD) | 8,282,912 | 11.05 |
| EURO (EUR) | 29,263 | 14.78 |

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

P. 735,791 thousand pesos.

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

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 | THOUSAND | THOUSAND |
| | DOLLARS | PESOS | DOLLARS | PESOS | PESOS |
| MONETARY ASSETS | 735,049 | 8,122,804 | 1,821,666 | 20,130,685 | 28,253,489 |
| LIABILITIES | 8,471,970 | 93,621,200 | 1,736,050 | 19,184,573 | 112,805,773 |
| SHORT-TERM LIABILITIES | 663,630 | 7,333,577 | 1,682,778 | 18,595,875 | 25,929,452 |
| LONG-TERM LIABILITIES | 7,808,340 | 86,287,623 | 53,272 | 588,698 | 86,876,321 |
| NET BALANCE | (7,736,921) | (85,498,396) | 85,616 | 946,112 | (84,552,284) |

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) | 11.05 |
| EURO | 14.77 |
| CHILEAN PESO | 0.02 |
| ARGENTINEAN PESO | 3.56 |
| BRAZILIAN REAL | 5.39 |
| PERUVIAN SOL | 3.47 |
| COLOMBIAN PESO | 0.0051 |

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 7

CALCULATION AND RESULT FROM MONETARY POSITION

(Thousands of Mexican Pesos)

Consolidated

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| MONTH | MONETARY ASSETS | MONETARY LIABILITIES | ASSETS (LIABILITIES) MONETARY POSITION | MONTHLY INFLATION | MONTHLY EFFECT ASSET (LIABILITIES) |
|----------------|-----------------|----------------------|--|-------------------|------------------------------------|
| JANUARY | 39,083,633 | 106,804,261 | (67,720,628) | 0.50 | (338,603) |
| FEBRUARY | 39,747,487 | 104,755,373 | (65,007,886) | 0.30 | (195,024) |
| MARCH | 41,376,801 | 104,362,500 | (62,985,699) | 0.20 | (125,971) |
| RESTATEMENT | 0 | 0 | 0 | 0.00 | (2,083) |
| CAPITALIZATION | 0 | 0 | 0 | 0.00 | 0 |
| FOREIGN CORP. | 0 | 0 | 0 | 0.00 | (104,111) |
| OTHER | 0 | 0 | 0 | 0.00 | 42,235 |
| TOTAL | | | | | (723,557) |

NOTE:

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 8

DEBT INSTRUMENTS

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FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

Part of the long-term debt is subject to certain restrictive covenants with respect to maintaining certain financial ratios and the sale of assets, among others.

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.

CURRENT SITUATION OF FINANCIAL LIMITED

At March 31, 2007, the Company has complied with such restrictive covenants.

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 9

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

Consolidated

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

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

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 : | | | | | |

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 11a

SALES DISTRIBUTION BY PRODUCT

SALES

(Thousands of Mexican Pesos)

Consolidated

Final printing

| MAIN PRODUCTS | NET SALES | | MARKET PART. | MAIN | |
|---------------|-----------|--------|--------------|------------|-----------|
| | VOLUME | AMOUNT | | TRADEMARKS | CUSTOMERS |
| | | | | | |

| | | | (%) | | |
|-----------------------|---|------------|-----|--|--|
| DOMESTIC SALES | | | | | |
| LOCAL SERVICE | 0 | 13,638,027 | 0.0 | | |
| LONG DISTANCE SERVICE | 0 | 5,670,224 | 0.0 | | |
| INTERCONNECTION | 0 | 5,408,955 | 0.0 | | |
| CORPORATE NETWORKS | 0 | 2,623,573 | 0.0 | | |
| INTERNET | 0 | 2,617,335 | 0.0 | | |
| OTHERS | 0 | 1,681,104 | 0.0 | | |
| FOREIGN SALES | | | | | |
| NET SETTLEMENT | 0 | 895,107 | 0 | | |
| LOCAL SERVICE | 0 | 1,466,320 | 0 | | |
| LONG DISTANCE SERVICE | 0 | 6,632,536 | 0 | | |
| INTERCONNECTION | 0 | 176,355 | 0 | | |
| CORPORATE NETWORKS | 0 | 3,154,168 | 0 | | |
| INTERNET | 0 | 767,822 | 0 | | |
| OTHERS | 0 | 411,516 | 0 | | |
| TOTAL | | 45,143,042 | | | |

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 11b

SALES DISTRIBUTION BY PRODUCT

FOREIGN SALES

(Thousands of Mexican Pesos)

Consolidated

| MAIN PRODUCTS | NET SALES | | DESTINATION | MAIN | |
|-----------------------|-----------|------------|-------------|------------|-----------|
| | VOLUME | AMOUNT | | TRADEMARKS | CUSTOMERS |
| EXPORT | | | | | |
| NET SETTLEMENT | 0 | 895,179 | | | |
| CORPORATE NETWORKS | 0 | 0 | | | |
| FOREIGN SUBSIDIARIES | | | | | |
| NET SETTLEMENT | 0 | -72 | | | |
| LOCAL SERVICE | 0 | 1,466,320 | | | |
| LONG DISTANCE SERVICE | 0 | 6,632,536 | | | |
| INTERCONNECTION | 0 | 176,355 | | | |
| CORPORATE NETWORKS | 0 | 3,154,168 | | | |
| INTERNET | 0 | 767,822 | | | |
| OTHERS | 0 | 411,516 | | | |
| TOTAL | | 13,503,824 | | | |
| NOTES: | | | | | |

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANALYSIS OF PAID CAPITAL STOCK

Consolidated

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| SERIES | NOMINAL VALUE | VALID COUPON | NUMBER OF SHARES | | | | CAPITAL STOCK (Thousand pesos) | |
|---|------------------|-----------------|------------------|---------------------|---------------|-----------------------|-----------------------------------|----------|
| | | | FIXED PORTION | VARIABLE PORTION | MEXICAN | PUBLIC SUSCRIPTION | FIXED | VARIABLE |
| A | 0.01250 | 0 | 441,982,948 | 0 | 0 | 441,982,948 | 5,525 | 0 |
| AA | 0.01250 | 0 | 8,114,596,082 | 0 | 8,114,596,082 | 0 | 101,432 | 0 |
| L | 0.01250 | 0 | 11,313,274,040 | 0 | 0 | 11,313,274,040 | 141,416 | 0 |
| TOTAL | | | 19,869,853,070 | 0 | 8,114,596,082 | 11,755,256,988 | 248,373 | 0 |
| TOTAL NUMBER OF SHARES REPRESENTING CAPITAL STOCK ON THE REPORTING DATE OF THE INFORMATION: | | | | | | | 19,869,853,070 | |
| NOTES: | | | | | | | | |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

ANNEX 13

PROJECT INFORMATION

(Thousands of Mexican Pesos)

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| ITEM | Thousand of Mexican Pesos | |
|------|---------------------------|--------------|
| | 1st | . Quarter 07 |
| | | |

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Jan-Mar

% of

Advance

Amount used

2007

Budget

2007

% of

Advance

DATA

734,584

17.4

734,584

4,214,516

17.4

INTERNAL PLANT

22,877

2.8

22,877

825,964

2.8

OUTSIDE PLANT

138,490

10.3

138,490

1,339,619

57

| | |
|--------------------------------|------------|
| | 10.3 |
| TRANSMISSION NETWORK | |
| | 250,381 |
| | 9.8 |
| | 250,381 |
| | 2,557,714 |
| | 9.8 |
| SYSTEMS | |
| | 6,421 |
| | 1.8 |
| | 6,421 |
| | 361,636 |
| | 1.8 |
| OTHERS | |
| | 330,760 |
| | 7.2 |
| | 330,760 |
| | 4,598,279 |
| | 7.2 |
| TOTAL INVESTMENT TELMEX MEXICO | |
| | 1,483,513 |
| | 10.7 |
| | 1,483,513 |
| | 13,897,728 |
| | 10.7 |
| LATINOAMERICA | |
| | 58 |

| | |
|------------------|------------|
| | 326,320 |
| | 11.3 |
| | 326,320 |
| | 2,896,968 |
| | 11.3 |
| EMBRATEL | |
| | 1,143,243 |
| | 14.5 |
| | 1,143,243 |
| | 7,901,454 |
| | 14.5 |
| TOTAL INVESTMENT | |
| | 2,953,076 |
| | 12.0 |
| | 2,953,076 |
| | 24,696,150 |
| | 12.0 |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

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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Translation of financial statements of foreign subsidiaries

The financial statements of foreign subsidiaries and affiliates were translated into Mexican pesos, as follows:

The financial statements as reported by the foreign subsidiaries are adjusted to conform to Mexican Financial Reporting Standards, in their local currency, and are subsequently restated to local currency with purchasing power as of the balance sheet date, based on the inflation rate of the country in which the subsidiary operates.

All balance sheet amounts, except for stockholders' equity, are translated into Mexican pesos at the prevailing exchange rate at year-end; stockholders' equity accounts are translated at the prevailing exchange rate at the time capital contributions were made and earnings were generated. The restated amounts of the income statement are translated into Mexican pesos at the prevailing exchange rate at the end of the year being reported.

Exchange rate changes and the monetary position effect derived from intercompany monetary items are included in the consolidated income statements.

The difference resulting from the translation process is called "Effect of translation of foreign entities" and is included in stockholders' equity as part of the caption "Other comprehensive income items".

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

GENERAL INFORMATION

Consolidated

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ISSUER GENERAL INFORMATION

| | |
|----------|-----------------------------------|
| COMPANY: | TELEFONOS DE MEXICO, S.A. DE C.V. |
|----------|-----------------------------------|

| | |
|----------------|--------------------------------|
| ADDRESS: | PARQUE VIA 198, COL. CUAUHEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 12 12 |
| FAX: | |
| E-MAIL: | |
| INTERNET PAGE: | www.telmex.com |

ISSUER FISCAL INFORMATION

| | |
|-----------------------|--------------------------------|
| TAX PAYER FEDERAL ID: | 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: | ING. JAIME CHICO PARDO |
| ADDRESS: | PARQUE VIA 190 - 10 TH . FLOOR OFFICE 1001, COL. CUAUHEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 51 52 |
| FAX: | 55 45 55 50 |
| E-MAIL: | jchico@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | CHIEF EXECUTIVE OFFICER |
| POSITION: | CHIEF EXECUTIVE OFFICER |
| NAME: | LIC. HECTOR SLIM SEADE |
| ADDRESS: | PARQUE VIA 190 - 10 TH . FLOOR OFFICE 1004, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 15 86 |
| FAX: | 55 45 55 50 |
| E-MAIL: | hslim@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | CHIEF FINANCIAL OFFICER |
| POSITION: | CHIEF FINANCIAL OFFICER |
| NAME: | ING. ADOLFO CEREZO PEREZ |
| ADDRESS: | PARQUE VIA 190 - 10 TH . 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: | COMPTROLLER |
| NAME: | LIC. ROLANDO REYNIER VALDES |
| ADDRESS: | PARQUE VIA 198 - 5 TH . FLOOR OFFICE 502, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |

| | |
|------------|---------------------|
| TELEPHONE: | 52 22 92 92 |
| FAX: | 57 05 62 31 |
| E-MAIL: | rreynier@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | DISTRIBUTION OF BUYBACK INFORMATION DELEGATE |
| POSITION: | SHAREHOLDER SERVICES MANAGER |
| NAME: | LIC. MIGUEL ANGEL PINEDA CATALAN |
| ADDRESS: | PARQUE VIA 198 - 2 ND . FLOOR OFFICE 202, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 53 22 |
| FAX: | 55 46 21 11 |
| E-MAIL: | mpineda@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | IN-HOUSE LEGAL COUNSEL |
| POSITION: | LEGAL DIRECTOR |
| NAME: | LIC. SERGIO F. MEDINA NORIEGA |
| ADDRESS: | PARQUE VIA 190 - 2 ND . FLOOR OFFICE 202, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 14 25 |
| FAX: | 55 46 43 74 |
| E-MAIL: | smedinan@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | DISTRIBUTION OF FINANCIAL INFORMATION DELEGATE |
| POSITION: | COMPTROLLER |
| NAME: | LIC. ROLANDO REYNIER VALDES |

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| | |
|------------|--|
| ADDRESS: | PARQUE VIA 198 - 5 TH . FLOOR OFFICE 502, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 92 92 |
| FAX: | 57 05 62 31 |
| E-MAIL: | rreynier@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | DISTRIBUTION OF MATERIAL FACTS DELEGATE |
| POSITION: | INVESTORS RELATIONS MANAGER |
| NAME: | ING. RUY ECHAVARRIA AYUSO |
| ADDRESS: | PARQUE VIA 198 - 7 TH . FLOOR OFFICE 701, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 57 03 39 90 |
| FAX: | 55 45 55 50 |
| E-MAIL: | rechavar@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | INVESTOR INFORMATION RESPONSIBLE |
| POSITION: | INVESTORS RELATIONS MANAGER |
| NAME: | ING. RUY ECHAVARRIA AYUSO |
| ADDRESS: | PARQUE VIA 198 - 7 TH . FLOOR OFFICE 701, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 57 03 39 90 |
| FAX: | 55 45 55 50 |
| E-MAIL: | 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 ND . 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: | COMPTROLLER |
| NAME: | LIC. ROLANDO REYNIER VALDES |
| ADDRESS: | PARQUE VIA 198 - 5 TH . FLOOR OFFICE 502, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 92 92 |
| FAX: | 57 05 62 31 |
| E-MAIL: | rreynier@telmex.com |

| | |
|---------------|--------------------|
| POSITION BMV: | FIDUCIARY DELEGATE |
| POSITION: | |
| NAME: | |
| ADDRESS: | |
| ZIP: | |
| CITY: | |
| TELEPHONE: | |

| | |
|---------|--|
| FAX: | |
| E-MAIL: | |

| | |
|---------------|-------------------------------|
| POSITION BMV: | OTHER |
| 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 |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 1 YEAR: 2007

TELÉFONOS DE MÉXICO, S.A. DE C.V.

BOARD OF DIRECTORS

Consolidated

Final printing

| POSITION | NAME | | | |
|-----------------------|------|-------|-------|-------|
| CHAIRMAN OF THE BOARD | ING. | JAIME | CHICO | PARDO |
| | | | | |
| | | | | |

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| | | | | |
|-----------------------------------|-------|------------------|------------------|---------------------------|
| VICEPRESIDENT | LIC. | CARLOS | SLIM | DOMIT |
| VICEPRESIDENT (INDEPENDENT) | C.P. | JUAN ANTONIO | PEREZ | SIMON |
| | | | | |
| HONORARY BOARD MEMBER | ING. | CARLOS | SLIM | HELU |
| BOARD PROPIETORS (INDEPENDENT) | SR. | EMILIO | AZCARRAGA | JEAN |
| BOARD PROPIETORS (INDEPENDENT) | ING. | ANTONIO | COSIO | ARIÑO |
| BOARD PROPIETORS (INDEPENDENT) | SRA. | LAURA | DIEZ BARROSO | DE LAVIADA |
| BOARD PROPIETORS (INDEPENDENT) | MTRA. | AMPARO | ESPINOSA | RUGARCIA |
| BOARD PROPIETORS (INDEPENDENT) | ING. | ELMER | FRANCO | MACIAS |
| BOARD PROPIETORS (INDEPENDENT) | LIC. | ANGEL | LOSADA | MORENO |
| BOARD PROPIETORS (INDEPENDENT) | SR. | ROMULO | O FARRIL JR. | (deceased in May 2006) |
| BOARD PROPIETORS (INDEPENDENT) | 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. | LARRY | I. | BOYLE |
| BOARD PROPIETORS (INDEPENDENT) | C.P. | RAFAEL | KALACH | MIZRAHI |
| BOARD PROPIETORS (INDEPENDENT) | 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 (INDEPENDENT) | LIC. | JORGE C. | ESTEVE | RECOLONS |
| BOARD ALTERNATES (INDEPENDENT) | ING. | ANTONIO | COSIO | PANDO |
| | SR. | EDUARDO | TRICIO | HARO |

| | | | | |
|--|------|-----------|-----------|----------|
| BOARD ALTERNATES (INDEPENDENT) | | | | |
| BOARD ALTERNATES (INDEPENDENT) | SRA. | ANGELES | ESPINOSA | YGLESIAS |
| BOARD ALTERNATES (INDEPENDENT) | ING. | AGUSTIN | FRANCO | MACIAS |
| BOARD ALTERNATES (INDEPENDENT) | SR. | JAIME | ALVERDE | GOYA |
| BOARD ALTERNATES (INDEPENDENT) | C.P. | ANTONIO | DEL VALLE | RUIZ |
| BOARD ALTERNATES (INDEPENDENT) | LIC. | JOSE | KURI | HARFUSH |
| BOARD ALTERNATES (INDEPENDENT) | LIC. | FERNANDO | SOLANA | MORALES |
| BOARD ALTERNATES | LIC. | EDUARDO | VALDES | ACRA |
| BOARD ALTERNATES (INDEPENDENT) | LIC. | CARLOS | BERNAL | VEREA |
| BOARD ALTERNATES (INDEPENDENT) | LIC. | FEDERICO | LAFFAN | FANO |
| BOARD ALTERNATES | SR. | JORGE A. | CHAPA | SALAZAR |
| BOARD ALTERNATES (INDEPENDENT) | ING. | BERNARDO | QUINTANA | ISAAC |
| BOARD ALTERNATES (INDEPENDENT) | C.P. | FRANCISCO | MEDINA | CHAVEZ |
| | | | | |
| SECRETARY OF THE BOARD OF DIRECTORS | LIC. | SERGIO | MEDINA | NORIEGA |
| | | | | |
| ASSISTANT SECRETARY | LIC. | RAFAEL | ROBLES | MIAJA |
| | | | | |

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 25, 2007.**

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 2007**.