

TELEFONOS DE MEXICO S A B DE C V  
Form 6-K  
July 23, 2008

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Report of Foreign Private Issuer

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

For the month of **July 2008**

Commission File Number: 333-13580

TELÉFONOS DE MÉXICO, S.A.B. 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.B. DE C.V.

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-01

CONSOLIDATED BALANCE SHEETS

AT JUNE 30, 2008 & 2007

(Thousands of Mexican Pesos)

Final printing

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| REF<br>S | CONCEPTS     | QUARTER OF<br>PRESENT |     | QUARTER OF<br>PREVIOUS |     |
|----------|--------------|-----------------------|-----|------------------------|-----|
|          |              | FINANCIAL YEAR        |     | FINANCIAL YEAR         |     |
|          |              | Amount                | %   | Amount                 | %   |
| s01      | TOTAL ASSETS | 172,819,589           | 100 | 311,467,846            | 100 |
|          |              |                       |     |                        |     |

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|      |  |                    |            |                    |            |
|------|--|--------------------|------------|--------------------|------------|
| s02  | CURRENT ASSETS   | 37,869,913         | 22         | 89,954,694         | 29         |
| s03  | CASH AND SHORT-TERM INVESTMENTS                                      | 9,729,274          | 6          | 19,366,747         | 6          |
| s04  | ACCOUNTS AND NOTES RECEIVABLE (NET)                                  | 17,407,662         | 10         | 18,253,389         | 6          |
| s05  | OTHER ACCOUNTS AND NOTES RECEIVABLE (NET)                            | 4,232,328          | 2          | 5,688,184          | 2          |
| s06  | INVENTORIES  | 1,886,914          | 1          | 1,695,324          | 1          |
| s07  | OTHER CURRENT ASSETS   | 4,613,735          | 3          | 44,951,050         | 14         |
| s08  | LONG - TERM  | 1,032,307          | 1          | 960,365            | 0          |
| s09  | ACCOUNTS AND NOTES RECEIVABLE (NET)                                  | 0                  | 0          | 0                  | 0          |
| s10  | INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES | 905,385            | 1          | 850,304            | 0          |
| s11  | OTHER INVESTMENTS  | 126,922            | 0          | 110,061            | 0          |
| s12  | PROPERTY, PLANT AND EQUIPMENT (NET)                                  | 115,435,506        | 67         | 120,792,512        | 39         |
| s13  | LAND AND BUILDINGS   | 0                  | 0          | 0                  | 0          |
| s14  | MACHINERY AND INDUSTRIAL EQUIPMENT                                   | 392,572,812        | 227        | 385,631,754        | 124        |
| s15  | OTHER EQUIPMENT  | 0                  | 0          | 0                  | 0          |
| s16  | ACCUMULATED DEPRECIATION   | 277,938,487        | 161        | 265,758,948        | 85         |
| s17  | CONSTRUCTIONS IN PROGRESS  | 801,181            | 0          | 919,706            | 0          |
| s18  | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)                    | 2,838,897          | 2          | 1,795,318          | 1          |
| s19  | OTHER ASSETS   | 15,642,966         | 9          | 97,964,957         | 31         |
| s20  | <b>TOTAL LIABILITIES</b>   | <b>135,720,308</b> | <b>100</b> | <b>183,789,714</b> | <b>100</b> |
| s21  | CURRENT LIABILITIES  | 34,089,765         | 25         | 54,255,815         | 30         |
| s22  | SUPPLIERS  | 0                  | 0          | 0                  | 0          |
| s23  | BANK LOANS   | 1,366,977          | 1          | 1,480,334          | 1          |
| s24  | STOCK MARKET LOANS   | 10,684,100         | 8          | 4,382,600          | 2          |
| s103 | OTHER LOANS WITH COST  | 0                  | 0          | 0                  | 0          |
| s25  | TAXES PAYABLE  | 1,746,005          | 1          | 1,792,659          | 1          |

|     |  |            |     |              |      |
|-----|--|------------|-----|--------------|------|
| s26 | OTHER CURRENT LIABILITIES                  | 20,292,683 | 15  | 46,600,222   | 25   |
| s27 | LONG - TERM LIABILITIES                    | 79,186,800 | 58  | 94,970,327   | 52   |
| s28 | BANK LOANS                                 | 44,789,625 | 33  | 48,690,432   | 26   |
| s29 | STOCK MARKET LOANS                         | 34,397,175 | 25  | 46,279,895   | 25   |
| s30 | OTHER LOANS WITH COST                      | 0          | 0   | 0            | 0    |
| s31 | DEFERRED LIABILITIES                       | 445,122    | 0   | 307,357      | 0    |
| s32 | OTHER NON CURRENT LIABILITIES              | 21,998,621 | 16  | 34,256,215   | 19   |
| s33 | CONSOLIDATED STOCKHOLDERS' EQUITY          | 37,099,281 | 100 | 127,678,132  | 100  |
| s34 | MINORITY INTEREST                          | 40,025     | 0   | 2,624,403    | 2    |
| s35 | MAJORITY INTEREST                          | 37,059,256 | 100 | 125,053,729  | 98   |
| s36 | CONTRIBUTED CAPITAL                        | 9,253,292  | 25  | 48,516,279   | 38   |
| s79 | CAPITAL STOCK (NOMINAL)                    | 9,253,292  | 25  | 27,597,214   | 22   |
| s39 | PREMIUM ON SALES OF SHARES                 | 0          | 0   | 20,919,065   | 16   |
| s40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0          | 0   | 0            | 0    |
| s41 | CAPITAL INCREASE (DECREASE)                | 27,805,964 | 75  | 76,537,450   | 60   |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVE      | 27,105,174 | 73  | 142,204,776  | 111  |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT     | 700,790    | 2   | (65,667,326) | (51) |
| s80 | SHARES REPURCHASED                         | 0          | 0   | 0            | 0    |

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MEXICAN STOCK EXCHANGE

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-02

CONSOLIDATED BALANCE SHEETS

**- BREAKDOWN OF MAIN CONCEPTS -**

(Thousands of Mexican Pesos)

Final printing

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| REF<br>S | CONCEPTS   | QUARTER OF<br>PRESENT<br>FINANCIAL<br>YEAR |     | QUARTER OF<br>PREVIOUS<br>FINANCIAL YEAR |     |
|----------|--|--|-----|--|-----|
|          |  | Amount                                     | %   | Amount                                   | %   |
| s03      | CASH AND<br>SHORT-TERM<br>INVESTMENTS                      | 9,729,274                                  | 100 | 19,366,747                               | 100 |
| s46      | CASH   | 1,282,409                                  | 13  | 1,276,389                                | 7   |
| s47      | SHORT-TERM<br>INVESTMENTS                                  | 8,446,865                                  | 87  | 18,090,358                               | 93  |
| s07      | OTHER CURRENT<br>ASSETS                                    | 4,613,735                                  | 100 | 44,951,050                               | 100 |
| s81      | DERIVATIVE<br>FINANCIAL<br>INSTRUMENTS                     | 1,973,574                                  | 43  | 0  | 0   |
| s82      | DISCONTINUED<br>OPERATIONS                                 | 0  | 0   | 39,896,491                               | 89  |
| s83      | OTHER  | 2,640,161                                  | 57  | 5,054,559                                | 11  |
| s18      | OTHER INTANGIBLE<br>ASSETS AND<br>DEFERRED ASSETS<br>(NET) | 2,838,897                                  | 100 | 1,795,318                                | 100 |
| s48      | AMORTIZED OR<br>REDEEMED EXPENSES                          | 1,371,672                                  | 48  | 410,847                                  | 23  |
| s49      | GOODWILL   | 439,170                                    | 15  | 448,165                                  | 25  |
| s51      | OTHERS   | 1,028,055                                  | 36  | 936,306                                  | 52  |
| s19      | OTHER ASSETS   | 15,642,966                                 | 100 | 97,964,957                               | 100 |
| s85      | DERIVATIVE<br>FINANCIAL<br>INSTRUMENTS                     | 0  | 0   | 0  | 0   |
| s50      | DEFERRED TAXES   | 0  | 0   | 0  | 0   |
| s104     |  | 13,462,467                                 | 86  | 17,693,188                               | 18  |

|            |  |                   |            |                   |            |
|------------|--|-------------------|------------|-------------------|------------|
|            | BENEFITS FOR EMPLOYEES                           |                   |            |                   |            |
| s86        | DISCONTINUED OPERATIONS                          | 0                 | 0          | 78,178,842        | 80         |
| s87        | OTHER  | 2,180,499         | 14         | 2,092,927         | 2          |
| <b>s21</b> | <b>CURRENT LIABILITIES</b>                       | <b>34,089,765</b> | <b>100</b> | <b>54,255,815</b> | <b>100</b> |
| s52        | FOREIGN CURRENCY LIABILITIES                     | 11,651,077        | 34         | 1,480,329         | 3          |
| s53        | MEXICAN PESOS LIABILITIES                        | 22,438,688        | 66         | 52,775,486        | 97         |
| s26        | OTHER CURRENT LIABILITIES                        | 20,292,683        | 100        | 46,600,222        | 100        |
| s88        | DERIVATIVE FINANCIAL INSTRUMENTS                 | 3,214,092         | 16         | 1,606,518         | 3          |
| s89        | INTEREST LIABILITIES                             | 974,746           | 5          | 1,305,190         | 3          |
| s68        | PROVISIONS                                       | 0                 | 0          | 0                 | 0          |
| s90        | DISCONTINUED OPERATIONS                          | 0                 | 0          | 27,886,000        | 60         |
| s58        | OTHER CURRENT LIABILITIES                        | 8,773,366         | 43         | 8,386,934         | 18         |
| s105       | BENEFITS FOR EMPLOYEES                           | 7,330,479         | 36         | 7,415,580         | 16         |
| <b>s27</b> | <b>LONG-TERM LIABILITIES</b>                     | <b>79,186,800</b> | <b>100</b> | <b>94,970,327</b> | <b>100</b> |
| s59        | FOREIGN CURRENCY LIABILITIES                     | 58,055,364        | 73         | 76,408,732        | 80         |
| s60        | MEXICAN PESOS LIABILITIES                        | 21,131,436        | 27         | 18,561,595        | 20         |
| s31        | DEFERRED LIABILITIES                             | 445,122           | 100        | 307,357           | 100        |
| s65        | GOODWILL   | 0                 | 0          | 0                 | 0          |
| s67        | OTHERS   | 445,122           | 100        | 307,357           | 100        |
| s32        | OTHER NON CURRENT LIABILITIES                    | 21,998,621        | 100        | 34,256,215        | 100        |
| s66        | DEFERRED TAXES                                   | 21,813,323        | 99         | 17,266,700        | 50         |
| s91        | OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE | 185,298           | 1          | 233,933           | 1          |

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|      |   |            |     |              |      |
|------|---|------------|-----|--------------|------|
| s92  | DISCONTINUED OPERATIONS                                 | 0          | 0   | 16,755,582   | 49   |
| s69  | OTHER LIABILITIES                                       | 0          | 0   | 0            | 0    |
| s79  | CAPITAL STOCK   | 9,253,292  | 100 | 27,597,214   | 100  |
| s37  | CAPITAL STOCK (NOMINAL)                                 | 81,598     | 1   | 247,011      | 1    |
| s38  | RESTATEMENT OF CAPITAL STOCK                            | 9,171,694  | 99  | 27,350,203   | 99   |
| s42  | RETAINED EARNINGS AND CAPITAL RESERVES                  | 27,105,174 | 100 | 142,204,776  | 100  |
| s93  | LEGAL RESERVE   | 1,825,876  | 7   | 16,148,388   | 11   |
| s43  | RESERVE FOR REPURCHASE OF SHARES                        | 0          | 0   | 0            | 0    |
| s94  | OTHER RESERVES  | 0          | 0   | 0            | 0    |
| s95  | RETAINED EARNINGS                                       | 13,517,973 | 50  | 108,450,439  | 76   |
| s45  | NET INCOME FOR THE YEAR                                 | 11,761,325 | 43  | 17,605,949   | 12   |
| s44  | OTHER ACCUMULATED COMPREHENSIVE RESULT                  | 700,790    | 100 | (65,667,326) | 100  |
| s70  | ACCUMULATED MONETARY RESULT                             | 0          | 0   | (15,162,467) | 23   |
| s71  | RESULT FROM HOLDING NON-MONETARY ASSETS                 | 0          | 0   | (70,915,547) | 108  |
| s96  | CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION     | 1,551      | 0   | 19,423,110   | (30) |
| s97  | CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS | 699,239    | 100 | (86,899)     | 0    |
| s98  | CUMULTATIVE EFFECT OF DEFERRED INCOME TAXES             | 0          | 0   | 1,074,477    | (2)  |
| s100 | OTHERS  | 0          | 0   | 0            | 0    |



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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-03

CONSOLIDATED BALANCE SHEETS

- OTHER CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>S | CONCEPTS   | QUARTER OF<br>PRESENT | QUARTER OF<br>PREVIOUS |
|----------|--|-----------------------|------------------------|
|          |  | FINANCIAL YEAR        | FINANCIAL YEAR         |
|          |  | Amount                | Amount                 |
| s72      | WORKING CAPITAL                                  | 3,780,148             | 35,698,879             |
| s73      | PENSIONS FUND AND SENIORITY<br>PREMIUMS          | 0                     | 0                      |
| s74      | EXECUTIVES (*)                                   | 96                    | 123                    |
| s75      | EMPLOYEES (*)                                    | 9,740                 | 10,955                 |
| s76      | WORKERS (*)                                      | 45,165                | 46,298                 |
| s77      | OUTSTANDING SHARES (*)                           | 18,899,199,160        | 19,760,895,570         |
| s78      | REPURCHASE OF OWN SHARER(*)                      | 461,198,310           | 442,222,600            |
| s101     | RESTRICTED CASH                                  | 0                     | 0                      |
| s102     | DEBT WITH COST OF AFFILIATES NON<br>CONSOLIDATED | 0                     | 0                      |

(\*) THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-04

## CONSOLIDATED STATEMENTS OF INCOME

- FROM JANUARY 01 TO JUNE 30, 2008 &amp; 2007 -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>R | CONCEPTS  | QUARTER OF<br>PRESENT<br>FINANCIAL YEAR |     | QUARTER OF<br>PREVIOUS<br>FINANCIAL<br>YEAR |     |
|----------|---|---|-----|---|-----|
|          |   | Amount                                  | %   | Amount                                      | %   |
| r01      | OPERATING REVENUES  | 62,047,386                              | 100 | 65,959,652                                  | 100 |
| r02      | COST OF SALES AND<br>SERVICES   | 31,801,108                              | 51  | 33,651,977                                  | 51  |
| r03      | GROSS INCOME  | 30,246,278                              | 49  | 32,307,675                                  | 49  |
| r04      | OPERATING EXPENSES  | 9,704,392                               | 16  | 9,470,985                                   | 14  |
| r05      | OPERATING INCOME  | 20,541,886                              | 33  | 22,836,690                                  | 35  |
| r08      | OTHER EXPENSES AND<br>INCOMES (NET)   | (883,862)                               | (1) | 592,780                                     | 1   |
| r06      | COMPREHENSIVE<br>FINANCING COST   | (3,164,878)                             | (5) | (2,675,392)                                 | (4) |
| r12      | EQUITY IN NET INCOME OF<br>NON-CONSOLIDATED<br>SUBSIDIARIES AND<br>AFFILIATES | 21,982                                  | 0   | (884)                                       | (0) |
| r48      | NON-ORDINARY ITEMS  | 0                                       | 0   | 0   | 0   |
| r09      | INCOME BEFORE INCOME<br>TAX AND EMPLOYEE<br>PROFIT SHARING                    | 16,515,128                              | 27  | 20,753,194                                  | 31  |
| r10      |   | 4,754,999                               | 8   | 6,037,983                                   | 9   |

|     |   |            |    |            |    |
|-----|---|------------|----|------------|----|
|     | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING   |            |    |            |    |
| r11 | NET INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 11,760,129 | 19 | 14,715,211 | 22 |
| r14 | INCOME FROM DISCONTINUED OPERATIONS (NET)               | 0          | 0  | 3,106,273  | 5  |
| r18 | NET INCOME  | 11,760,129 | 19 | 17,821,484 | 27 |
| r19 | NET INCOME OF MINORITY INTEREST                         | (1,196)    | 0  | 215,535    | 0  |
| r20 | NET INCOME OF MAYORITY INTEREST                         | 11,761,325 | 19 | 17,605,949 | 27 |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-05

## CONSOLIDATED STATEMENTS OF INCOME

## - BREAKDOWN OF MAIN CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>R | CONCEPTS           | QUARTER OF PRESENT<br>FINANCIAL YEAR |     | QUARTER OF<br>PREVIOUS<br>FINANCIAL YEAR |     |
|----------|--------------------|--------------------------------------|-----|--|-----|
|          |                    | Amount                               | %   | Amount                                   | %   |
| r01      | OPERATING REVENUES | 62,047,386                           | 100 | 65,959,652                               | 100 |
| r21      | DOMESTIC           | 60,389,593                           | 97  | 63,901,942                               | 97  |

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|     |   |             |       |             |       |
|-----|---|-------------|-------|-------------|-------|
| r22 | FOREIGN   | 1,657,793   | 3     | 2,057,710   | 3     |
| r23 | TRANSLATION INTO DOLLARS<br>(***)                       | 161,200     | 0     | 190,659     | 0     |
| r08 | OTHER EXPENSES AND INCOMES<br>(NET)                     | (883,862)   | 100   | 592,780     | 100   |
| r49 | OTHER EXPENSES AND INCOMES<br>(NET)                     | 140,528     | (16)  | 2,197,765   | 371   |
| r34 | EMPLOYEE PROFIT SHARING                                 | 1,411,442   | (160) | 1,604,985   | 271   |
| r35 | DEFERRED EMPLOYEE PROFIT<br>SHARING                     | (387,052)   | 44    | 0           | 0     |
| r06 | COMPREHENSIVE FINANCING<br>COST                         | (3,164,878) | 100   | (2,675,392) | 100   |
| r24 | INTEREST EXPENSE  | 2,958,738   | (93)  | 3,341,417   | (125) |
| r42 | LOSS (GAIN) ON RESTATEMENT OF<br>UDI'S                  | 0           | 0     | 0           | 0     |
| r45 | OTHER FINANCIAL COSTS                                   | 0           | 0     | 0           | 0     |
| r26 | INTEREST INCOME   | 328,640     | (10)  | 573,926     | (21)  |
| r46 | OTHER FINANCIAL PRODUCTS                                | 0           | 0     | 0           | 0     |
| r25 | FOREIGN EXCHANGE LOSS (GAIN)<br>(NET)                   | (534,780)   | 17    | (354,081)   | 13    |
| r28 | RESULT FROM MONETARY<br>POSITION                        | 0           | 0     | 446,180     | (17)  |
| r10 | PROVISION FOR INCOME TAX AND<br>EMPLOYEE PROFIT SHARING | 4,754,999   | 100   | 6,037,983   | 100   |
| r32 | INCOME TAX  | 5,393,280   | 113   | 5,734,535   | 95    |
| r33 | DEFERRED INCOME TAX                                     | (638,281)   | (13)  | 303,448     | 5     |

(\*\*\*) THOUSAND DOLLARS AT THE PREVAILING EXCHANGE RATE AT THE END OF THE REPORTING PERIOD.

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-06

## CONSOLIDATED STATEMENTS OF INCOME

## - OTHER CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>R                              | CONCEPTS                                     | QUARTER<br>OF PRESENT | QUARTER OF<br>PREVIOUS |
|---------------------------------------|--|-----------------------|------------------------|
|                                       |  | FINANCIAL<br>YEAR     | FINANCIAL<br>YEAR      |
|                                       |  | Amount                | Amount                 |
| r36                                   | TOTAL REVENUES                               | 62,047,386            | 65,959,652             |
| r37                                   | TAX RESULT FOR THE<br>YEAR                   | 0                     | 0                      |
| r38                                   | OPERATING REVENUES<br>(**)                   | 126,855,405           | 130,837,326            |
| r39                                   | OPERATING INCOME (**)                        | 41,589,469            | 45,968,863             |
| r40                                   | NET INCOME OF<br>MAJORITY INTEREST (**)      | 29,640,323            | 32,425,965             |
| r41                                   | NET INCOME (**)                              | 29,994,040            | 32,979,270             |
| r47                                   | OPERATIVE<br>DEPRECIATION AND<br>ACCUMULATED | 8,577,642             | 8,624,183              |
| (**)                                  |  |                       |                        |
| INFORMATION OF THE PAST TWELVE MONTHS |  |                       |                        |

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MEXICAN STOCK EXCHANGE

[Index](#)

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-07

## CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

- FROM APRIL 01 TO JUNE 30, 2008 &amp; 2007 -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>RT | CONCEPTS   | QUARTER OF PRESENT |     | QUARTER OF PREVIOUS |     |
|-----------|--|--------------------|-----|---------------------|-----|
|           |  | FINANCIAL YEAR     |     | FINANCIAL YEAR      |     |
|           |  | Amount             | %   | Amount              | %   |
| rt01      | OPERATING REVENUES   | 30,925,356         | 100 | 33,016,269          | 100 |
| rt02      | COST OF SALES AND SERVICES   | 16,040,086         | 52  | 17,170,267          | 52  |
| rt03      | GROSS INCOME   | 14,885,270         | 48  | 15,846,002          | 48  |
| rt04      | OPERATING EXPENSES   | 4,973,058          | 16  | 4,851,065           | 15  |
| rt05      | OPERATING INCOME   | 9,912,212          | 32  | 10,994,937          | 33  |
| rt08      | OTHER EXPENSES AND INCOMES (NET)   | (482,930)          | (2) | 1,199,814           | 4   |
| rt06      | COMPREHENSIVE FINANCING COST   | (598,932)          | (2) | (1,660,318)         | (5) |
| rt12      | EQUITY IN NET INCOME OF<br>NON-CONSOLIDATED SUBSIDIARIES<br>AND AFFILIATES | 11,221             | 0   | (9,991)             | 0   |
| rt48      | NON-ORDINARY ITEMS   | 0                  | 0   | 0                   | 0   |
| rt09      | INCOME BEFORE INCOME TAX AND<br>EMPLOYEE PROFIT SHARING                    | 8,841,571          | 29  | 10,524,442          | 32  |
| rt10      | PROVISIONS FOR INCOME TAX AND<br>EMPLOYEE PROFIT SHARING                   | 2,654,610          | 9   | 3,410,146           | 10  |
| rt11      | NET INCOME AFTER INCOME TAX AND<br>EMPLOYEE PROFIT SHARING                 | 6,186,961          | 20  | 7,114,296           | 22  |
| rt14      | INCOME FROM DISCONTINUED<br>OPERATIONS (NET)                               | 0                  | 0   | 1,397,071           | 4   |
| rt18      | NET INCOME   | 6,186,961          | 20  | 8,511,367           | 26  |
| rt19      | NET INCOME OF MINORITY INTEREST  | (121)              | (0) | 128,044             | 0   |
| rt20      | NET INCOME OF MAYORITY INTEREST  | 6,187,082          | 20  | 8,383,323           | 25  |

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-08

## CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

## - BREAKDOWN OF MAIN CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>RT | CONCEPTS                               | QUARTER OF PRESENT |       | QUARTER OF PREVIOUS |       |
|-----------|--|--------------------|-------|---------------------|-------|
|           |  | FINANCIAL YEAR     |       | FINANCIAL YEAR      |       |
|           |  | Amount             | %     | Amount              | %     |
| rt01      | OPERATING REVENUES                     | 30,925,356         | 100   | 33,016,269          | 100   |
| rt21      | DOMESTIC                               | 30,083,200         | 97    | 31,968,357          | 97    |
| rt22      | FOREIGN                                | 842,156            | 3     | 1,047,912           | 3     |
| rt23      | TRANSLATION INTO DOLLARS (***)         | 84,945             | 0     | 101,709             | 0     |
|           |  |                    |       |                     |       |
| rt08      | OTHER REVENUES AND (EXPENSES),<br>NET  | (482,930)          | 100   | 1,199,814           | 100   |
| rt49      | OTHER REVENUES AND (EXPENSES),<br>NET  | 74,741             | (15)  | 1,940,429           | 162   |
| rt34      | EMPLOYEE PROFIT SHARING                | 712,378            | (148) | 740,615             | 62    |
| rt35      | DEFERRED EMPLOYEE PROFIT<br>SHARING    | (154,707)          | 32    | 0                   | 0     |
|           |  |                    |       |                     |       |
| rt06      | COMPREHENSIVE FINANCING COST           | (598,932)          | 100   | (1,660,318)         | 100   |
| rt24      | INTEREST EXPENSE                       | 773,477            | (129) | 1,783,449           | (107) |
| rt42      | LOSS (GAIN) ON RESTATEMENT OF<br>UDI'S | 0                  | 0     | 0                   | 0     |
| rt45      | OTHER FINANCIAL COSTS                  | 0                  | 0     | 0                   | 0     |
| rt26      | INTEREST INCOME                        | 195,113            | (33)  | 341,355             | (21)  |
| rt46      | OTHER FINANCIAL PRODUCTS               | 0                  | 0     | 0                   | 0     |

|      |   |           |     |           |     |
|------|---|-----------|-----|-----------|-----|
| rt25 | FOREIGN EXCHANGE LOSS (GAIN)<br>(NET)                   | (20,568)  | 3   | 52,307    | (3) |
| rt28 | RESULT FROM MONETARY POSITION                           | 0         | 0   | (270,531) | 16  |
| rt10 | PROVISION FOR INCOME TAX AND<br>EMPLOYEE PROFIT SHARING | 2,654,610 | 100 | 3,410,146 | 100 |
| rt32 | INCOME TAX  | 2,654,894 | 100 | 2,821,565 | 83  |
| rt33 | DEFERRED INCOME TAX                                     | (284)     | (0) | 588,581   | 17  |

(\*\*\*) THOUSAND DOLLARS AT THE PREVAILING EXCHANGE RATE AT THE END OF THE REPORTING PERIOD.

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-09

CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

- OTHER CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>RT | CONCEPTS  | QUARTER OF<br>PRESENT<br>FINANCIAL<br>YEAR | QUARTER OF<br>PREVIOUS<br>FINANCIAL YEAR |
|-----------|---|--|--|
|           |   | Amount                                     | Amount                                   |
| rt47      | OPERATIVE DEPRECIATION AND<br>ACCUMULATED IMPAIRMENT LOSSES | 4,287,688                                  | 4,298,141                                |
|           |   |  |  |

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## MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-10

## CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

- FROM JANUARY 01 TO JUNE 30, 2008 &amp; 2007 -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>C | CONCEPTS   | QUARTER OF<br>PRESENT<br>FINANCIAL YEAR | QUARTER OF<br>PREVIOUS<br>FINANCIAL YEAR |
|----------|--|---|--|
| Amount   | Amount   |   |  |
| c01      | NET INCOME   | 0                                       | 17,821,484                               |
| c02      | (+)(-) ITEMS ADDED TO INCOME WHICH<br>DO NOT REQUIRE USING RESOURCES | 0                                       | 8,679,193                                |
| c03      | CASH FLOW FROM NET INCOME FOR<br>THE YEAR                            | 0                                       | 26,500,677                               |
| c04      | CASH FLOW FROM CHANGES IN<br>WORKING CAPITAL                         | 0                                       | (5,124,593)                              |
| c05      | RESOURCES PROVIDED BY (USED FOR)<br>OPERATING ACTIVITIES             | 0                                       | 21,376,084                               |
| c06      | RESOURCES PROVIDED BY (USED FOR)<br>EXTERNAL FINANCING ACTIVITIES    | 0                                       | 10,416,212                               |
| c07      | RESOURCES PROVIDED BY (USED FOR)<br>INTERNAL FINANCING ACTIVITIES    | 0                                       | (12,336,920)                             |
| c08      | RESOURCES PROVIDED BY (USED<br>FOR) FINANCING ACTIVITIES             | 0                                       | (1,920,708)                              |
| c09      | RESOURCES PROVIDED BY (USED FOR)<br>INVESTMENT ACTIVITIES            | 0                                       | (10,854,381)                             |
| c10      |  | 0                                       | 8,600,995                                |

|     |  |   |            |
|-----|--|---|------------|
|     | NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS |   |            |
| c11 | CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNIG OF PERIOD  | 0 | 10,765,752 |
| c12 | CASH AND SHORT-TERM INVESTMENTS AT THE END OF PERIOD       | 0 | 19,366,747 |

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## MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-11

## CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

## - BREAKDOWN OF MAIN CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>C | CONCEPTS  | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|----------|---|--------------------|---------------------|
|          |   | FINANCIAL YEAR     | FINANCIAL YEAR      |
|          |   | Amount             | Amount              |
| c02      | +(-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE USING RESOURCES | 0                  | 8,679,193           |
| c13      | DEPRECIATION AND AMORTIZATION FOR THE YEAR                      | 0                  | 9,165,783           |
| c41      | +(-) OTHER ITEMS  | 0                  | (486,590)           |
| c04      | CASH FLOW FROM CHANGES IN WORKING CAPITAL                       | 0                  | (5,124,593)         |
| c18      |   | 0                  | (667,878)           |

|     |   |   |              |
|-----|---|---|--------------|
|     | +(-) DECREASE (INCREASE) IN ACCOUNT RECEIVABLE                        |   |              |
| c19 | +(-) DECREASE (INCREASE) IN INVENTORIES                               | 0 | (367,298)    |
| c20 | +(-) DECREASE (INCREASE) IN OTHER ACCOUNT RECEIVABLE AND OTHER ASSETS | 0 | 313,931      |
| c21 | +(-) INCREASE (DECREASE) IN SUPPLIERS ACCOUNT                         | 0 | 0            |
| c22 | +(-) INCREASE (DECREASE) IN OTHER LIABILITIES                         | 0 | (4,403,348)  |
|     |   |   |              |
| c06 | RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING ACTIVITIES        | 0 | 10,416,212   |
| c23 | + BANK FINANCING  | 0 | 14,930,842   |
| c24 | + STOCK MARKET FINANCING  | 0 | 0            |
| c25 | + DIVIDEND RECEIVED   | 0 | 0            |
| c26 | + OTHER FINANCING   | 0 | 0            |
| c27 | (-) BANK FINANCING AMORTIZATION                                       | 0 | (3,355,997)  |
| c28 | (-) STOCK MARKET FINANCING AMORTIZATION                               | 0 | 0            |
| c29 | (-) OTHER FINANCING AMORTIZATION                                      | 0 | (1,158,633)  |
| c42 | + (-) OTHER ITEMS   | 0 | 0            |
|     |   |   |              |
| c07 | RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING ACTIVITIES        | 0 | (12,336,920) |
| c30 | + (-) INCREASE (DECREASE) IN CAPITAL STOCK                            | 0 | (413,943)    |
| c31 | (-) DIVIDENDS PAID  | 0 | (4,393,296)  |
| c32 | + PREMIUM ON SALE OF SHARES   | 0 | 0            |
| c33 | + CONTRIBUTION FOR FUTURE CAPITAL INCREASES                           | 0 | (7,529,681)  |
| c43 | + (-) OTHER ITEMS   | 0 | 0            |
|     |   |   |              |
| c09 | RESOURCES PROVIDED BY (USED FOR ) INVESTMENT ACTIVITIES               | 0 | (10,854,381) |
| c34 | +(-) DECREASE (INCREASE) IN STOCK INVESTMENTS OF PERMANENT NATURE     | 0 | (77,283)     |
| c35 | (-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT                      | 0 | (4,042,178)  |
| 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

0

(6,734,920)

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## MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-12

DATA PER SHARE

- CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>D | CONCEPTS   | QUARTER OF<br>PRESENT<br>FINANCIAL<br>YEAR |  | QUARTER OF<br>PREVIOUS<br>FINANCIAL<br>YEAR |  |
|----------|--|--|--|---|--|
|          |  | Amount                                     |  | Amount                                      |  |
| d01      | BASIC INCOME PER<br>ORDINARY SHARE<br>(**)                                   | \$1.57                                     |  | \$1.64                                      |  |
| d02      | BASIC INCOME PER<br>PREFERENT SHARE<br>(**)                                  | \$0.00                                     |  | \$0.00                                      |  |
| d03      | DILUTED INCOME<br>PER ORDINARY<br>SHARE (**)                                 | \$0.00                                     |  | \$0.00                                      |  |
| d04      | INCOME (LOSS)<br>FROM CONTINUOUS<br>OPERATIONS PER<br>ORDINARY SHARE<br>(**) | \$1.57                                     |  | \$1.64                                      |  |
| d05      |  | \$0.00                                     |  | \$0.16                                      |  |

|                                       |  |        |        |        |        |
|---------------------------------------|--|--------|--------|--------|--------|
|                                       | EFFECT OF DISCONTINUOUS OPERATIONS ON INCOME (LOSS) FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) |        |        |        |        |
| d08                                   | CARRYING VALUE PER SHARE   | \$1.96 |        | \$6.33 |        |
| d09                                   | ACUMULATED CASH DIVIDEND PER SHARE   | \$0.11 |        | \$0.22 |        |
| d10                                   | SHARE DIVIDENDS PER SHARE  | 0.00   | shares | 0.00   | shares |
| d11                                   | MARKET PRICE TO CARRYING VALUE   | 6.24   | times  | 3.34   | times  |
| d12                                   | MARKET PRICE TO BASIC INCOME PER ORDINARY SHARE (**)   | 7.80   | times  | 12.89  | times  |
| d13                                   | MARKET PRICE TO BASIC INCOME PER PREFERENT SHARE (**)  | 0.00   | times  | 0.00   | times  |
| (**)                                  |  |        |        |        |        |
| INFORMATION OF THE PAST TWELVE MONTHS |  |        |        |        |        |

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## MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-13

RATIOS

- CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>P | CONCEPTS  | QUARTER OF PRESENT<br>FINANCIAL YEAR |       | QUARTER OF<br>PREVIOUS<br>FINANCIAL<br>YEAR |       |
|----------|---|--------------------------------------|-------|---|-------|
|          |   |                                      |       |   |       |
|          | YIELD   |                                      |       |   |       |
| p01      | NET INCOME (LOSS) TO<br>OPERATING REVENUES              | 18.95%                               |       | 27.02%                                      |       |
| p02      | NET INCOME TO<br>STOCKHOLDERS' EQUITY (**)              | 80.85%                               |       | 25.83%                                      |       |
| p03      | NET INCOME TO TOTAL ASSETS (<br>**)                     | 17.36%                               |       | 10.59%                                      |       |
| p04      | CASH DIVIDENDS TO PREVIOUS<br>YEAR NET INCOME           | 11.15%                               |       | 14.82%                                      |       |
| p05      | INCOME DUE TO MONETARY<br>POSITION TO NET INCOME        | 0.00%                                |       | 2.50%                                       |       |
|          | ACTIVITY  |                                      |       |   |       |
| p06      | OPERATING REVENUES TO<br>TOTAL ASSETS (**)              | 0.73                                 | times | 0.42  | times |
| p07      | OPERATING REVENUES TO FIXED<br>ASSETS (**)              | 1.10                                 | times | 1.08  | times |
| p08      | INVENTORIES ROTATION (**)                               | 34.70                                | times | 38.76                                       | times |
| p09      | ACCOUNTS RECEIVABLE IN<br>DAYS OF SALES                 | 44                                   | days  | 43  | days  |
| p10      | INTEREST PAID TO TOTAL<br>LIABILITIES WITH COST (**)    | 6.83%                                |       | 6.76%                                       |       |
|          | LEVERAGE  |                                      |       |   |       |
| p11      | TOTAL LIABILITIES TO TOTAL<br>ASSETS                    | 78.53%                               |       | 59.01%                                      |       |
| p12      | TOTAL LIABILITIES TO<br>STOCKHOLDERS' EQUITY            | 3.66                                 | times | 1.44  | times |
| p13      | FOREIGN CURRENCY<br>LIABILITIES TO TOTAL<br>LIABILITIES | 51.36%                               |       | 42.38%                                      |       |
| p14      | LONG-TERM LIABILITIES TO<br>FIXED ASSETS                | 68.60%                               |       | 78.62%                                      |       |

|  |  |        |       |        |       |
|--|--|--------|-------|--------|-------|
| p15  | OPERATING INCOME (LOSS) TO INTEREST PAID             | 6.94   | times | 6.83   | times |
| p16  | OPERATING REVENUES TO TOTAL LIABILITIES (**)         | 0.93   | times | 0.71   | times |
|  | LIQUIDITY  |        |       |        |       |
| p17  | CURRENT ASSETS TO CURRENT LIABILITIES                | 1.11   | times | 1.66   | times |
| p18  | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 1.06   | times | 1.63   | times |
| p19  | CURRENT ASSETS TO TOTAL LIABILITIES                  | 0.28   | times | 0.49   | times |
| p20  | AVAILABLE ASSETS TO CURRENT LIABILITIES              | 28.54% |       | 35.70% |       |
| (**) INFORMATION OF THE PAST TWELVE MONTHS |  |        |       |        |       |

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-14

STATE OF CASH FLOW (INDIRECT METHOD)

MAIN CONCEPTS

- CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

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

|     |   | Amount       | Amount |
|-----|---|--------------|--------|
|     | OPERATION ACTIVITIES  |              |        |
| e01 | INCOME (LOST) BEFORE INCOME TAXES                               | 16,515,128   | 0      |
| e02 | +(-) ITEMS NOT REQUIRING CASH                                   | 3,728,408    | 0      |
| e03 | +(-) ITEMS RELATED TO INVESTING ACTIVITIES                      | 9,011,552    | 0      |
| e04 | +(-) ITEMS RELATED TO FINANCING ACTIVITIES                      | 3,388,245    | 0      |
| e05 | CASH FLOWS BEFORE INCOME TAX                                    | 32,643,333   | 0      |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION                         | (9,815,802)  | 0      |
| e07 | NET CASH FLOWS PROVIDED OF OPERATING ACTIVITIES                 | 22,827,531   | 0      |
|     | INVESTMENT ACTIVITIES   |              |        |
| e08 | NET CASH FLOW FROM INVESTING ACTIVITIES                         | (4,303,527)  | 0      |
| e09 | CASH IN EXCESS (REQUIRED) TO BE APPLIED IN FINANCING ACTIVITIES | 18,524,004   | 0      |
|     | FINANCING ACTIVITIES  |              |        |
| e10 | NET CASH FROM FINANCING ACTIVITIES                              | (13,431,886) | 0      |
| e11 | NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS            | 5,092,118    | 0      |
| e12 | TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS            | (60,596)     | 0      |
| e13 | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD            | 4,697,752    | 0      |
| e14 | CASH AND CASH EQUIVALENTS AT THE END OF PERIOD                  | 9,729,274    | 0      |

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MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-15



## STATE OF CASH FLOW (INDIRECT METHOD)

## BREAKDOWN OF MAIN CONCEPTS

## - CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

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| REF<br>E | CONCEPTS  | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|----------|---|--------------------|---------------------|
|          |   | FINANCIAL YEAR     | FINANCIAL YEAR      |
|          |   | Amount             | Amount              |
| e02      | +(-) ITEMS NOT REQUIRING CASH                             | 3,728,408          | 0                   |
| e15      | +ESTIMATES FOR THE PERIOD                                 | 664,340            | 0                   |
| e16      | +PROVISIONS FOR THE PERIOD                                | 2,248,014          | 0                   |
| e17      | +(-) OTHER UNREALIZED ITEMS                               | 816,054            | 0                   |
|          |   |                    |                     |
| e03      | +(-) ITEMS RELATED TO INVESTING ACTIVITIES                | 9,011,552          | 0                   |
| e18      | +DEPRECIATION AND AMORTIZATION FOR THE PERIOD (*)         | 9,033,535          | 0                   |
| e19      | (-)+GAIN OR LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT | 0                  | 0                   |
| e20      | +IMPAIRMENT LOSS  | 0                  | 0                   |
| e21      | (-)+EQUITY RESULTS OF ASSOCIATES AND JOINT VENTURES       | (21,983)           | 0                   |
| e22      | (-)DIVIDENDS RECEIVED                                     | 0                  | 0                   |
| e23      | (-)INTEREST INCOME  | 0                  | 0                   |
| e24      | (-)+ OTHER ITEMS  | 0                  | 0                   |
|          |   |                    |                     |
| e04      | +(-) ITEMS RELATED TO FINANCING ACTIVITIES                | 3,388,245          | 0                   |
| e25      | +ACCRUED INTERESTS  | 3,398,031          | 0                   |
| e26      | +(-) OTHER ITEMS  | (9,786)            | 0                   |
|          |   |                    |                     |
| e06      | CASH FLOW PROVIDED OR USED IN OPERATION                   | (9,815,802)        | 0                   |
| e27      | +(-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE           | (1,936,613)        | 0                   |
| e28      | +(-) DECREASE (INCREASE) IN INVENTORIES                   | (1,227,205)        | 0                   |

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

|     |  |              |   |
|-----|--|--------------|---|
| e29 | +(-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE AND OTHER ASSETS | (293,673)    | 0 |
| e30 | +(-) INCREASE (DECREASE) IN SUPPLIERS                                  | (3,284,233)  | 0 |
| e31 | +(-) INCREASE (DECREASE) IN OTHER LIABILITIES                          | 1,906,053    | 0 |
| e32 | +(-) INCOME TAXES PAID OR RETURNED                                     | (4,980,131)  | 0 |
|     |  |              |   |
| e08 | NET CASH FLOWS OF INVESTING ACTIVITIES                                 | (4,303,527)  | 0 |
| e33 | - PERMANENT INVESTMENT IN SHARES                                       | (22,259)     | 0 |
| e34 | +DISPOSITION OF PERMANENT INVESTMENT IN SHARES                         | 95,376       | 0 |
| e35 | - INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT                         | (3,539,312)  | 0 |
| e36 | + SALE OF PROPERTY, PLANT AND EQUIPMENT                                | 0            | 0 |
| e37 | - INVESTMENT IN INTANGIBLE ASSETS                                      | (80,855)     | 0 |
| e38 | + DISPOSITION OF INTANGIBLE ASSETS                                     | 0            | 0 |
| e39 | - OTHER PERMANENT INVESTMENTS  | 0            | 0 |
| e40 | + DISPOSITION OF OTHER PERMANENT INVESTMENTS                           | 0            | 0 |
| e41 | + DIVIDENDS RECEIVED   | 0            | 0 |
| e42 | + INTERESTS RECEIVED   | 0            | 0 |
| e43 | +(-) DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS             | 0            | 0 |
| e44 | +(-) OTHER ITEMS   | (756,477)    | 0 |
|     |  |              |   |
| e10 | NET CASH FLOWS OF FINANCING ACTIVITIES                                 | (13,431,886) | 0 |
| e45 | + BANK FINANCING   | 5,445,252    | 0 |
| e46 | + STOCK MARKET FINANCING   | 0            | 0 |
| e47 | + OTHER FINANCING  | 0            | 0 |
| e48 | (-) BANK FINANCING AMORTIZATION  | (1,692,970)  | 0 |
| e49 | (-) STOCK MARKET FINANCING AMORTIZATION                                | 0            | 0 |
| e50 | (-) OTHER FINANCING AMORTIZATION                                       | 0            | 0 |
| e51 | + (-) INCREASE (DECREASE) IN CAPITAL STOCK                             | 0            | 0 |
| e52 | (-) DIVIDENDS PAID   | (3,955,789)  | 0 |
| e53 | + PREMIUM ON ISSUANCE OF SHARES  | 0            | 0 |
| e54 | + CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES                           | 0            | 0 |
| e55 | - INTEREST EXPENSE   | (2,472,404)  | 0 |

|   |                        |             |   |
|---|------------------------|-------------|---|
| e56   | + REPURCHASE OF SHARES | (8,564,033) | 0 |
| e57   | +(-) OTHER ITEMS       | (2,191,942) | 0 |
| * IN CASE THAT THIS AMOUNT IS DIFFERENT FROM ACCOUNT R47 IT SHALL BE EXPLAINED IN NOTES |                        |             |   |

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MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 1

CHIEF EXECUTIVE OFFICER REPORT

Consolidated

Final printing

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Highlights

Acuerdo de Convergencia (Convergence Agreement)

The October 3, 2006, "Acuerdo de Convergencia" (Convergence Agreement), which was issued by the Federal Government through the Secretaría de Comunicaciones y Transportes (Communications and Transportation Ministry), established the basis for the convergence of networks more than 21 months ago.

Nevertheless, even though TELMEX has met the requirements in a timely manner, to date there has not been a favorable resolution from the authority that would allow the company to participate in the various telecommunications services that will be offered in a competitive market in which consumers benefit from faster and better attention which is affecting the company and the development of telecommunications in the country.

It is important to mention that cable TV operators have been offering voice, data and video services to their customers for more than 2 years and with lower investments.

At TELMEX, we have carried out investments to maintain state-of-the-art technology, and we constantly are working on increasing the company's productivity and reducing our operating costs. Additionally, we are driving the digital culture through broadband services, the sale of computers, multi-service packages and providing connectivity to thousands of communities that cover more than 90% of the population.

The sale of computers in installments of up to 48 months increases penetration of computers in Mexican homes, since only 22.1% of them have a computer. That proportion is significantly below the average of nearly 62% for member countries of the OECD.

TELMEX continues to experience substantially decreased voice service revenues due to ongoing price reduction and strong competition. TELMEX's market share is 19.0% in the voice market overall, which includes both local and cellular operators, and 48.1% in the market segment consisting only of operators of fixed lines.

During the second quarter, there was a gain of 488 thousand broadband Infinitum accounts (ADSL), an increase of 59.8% compared with the same period of 2007. At June 30, TELMEX served 4.1 million Internet services of which 93% are broadband Infinitum.

In the second quarter, total revenues were 30.9 billion pesos, 6.3% lower than the same period of the previous year. These results reflected increases of 19.6% in Internet access revenues and 4.1% in corporate networks revenues and decreases of 10.4% and 9.0% in local and long distance revenues, respectively.

EBITDA (1) totaled 14.4 billion pesos, 7.5% lower than the second quarter of the previous year. Operating income totaled 9.9 billion pesos, 9.8% lower than last year's second quarter.

Majority income from continuing operations in the quarter totaled 6.2 billion pesos, 13.0% lower than the same period of last year. In the second quarter, earnings per share were 33 Mexican cents, a decrease of 8.3%, and earnings per ADR (2) were 64 US cents, a decrease of 1.5% compared with the second quarter of 2007.

At June 30, net debt (3) increased the equivalent of 830 million dollars to a total of 7.925 billion dollars compared with June 30, 2007.

Capital expenditures (Capex) were equivalent to 338 million dollars for the first half. In the quarter, the company repurchased 211 million 421 thousand of its own shares.

(1) EBITDA: defined as operating income plus depreciation and amortization. Go to [www.telmex.com](http://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.

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## Operating Results

### Lines in service and local traffic

At the end of the second quarter, there were 17.7 million lines in service, a decrease of 3.0% compared with the same period of 2007, due to disconnections caused by the increase in competition from both fixed and cellular lines and to growth in broadband Infinitum services, which in some cases represent substitutions for conventional lines.

Of our lines in service, approximately 10.4 million are in areas that interest competitors and where they also have presence. However, 7.3 million lines are in areas that hold no interest to competitors. For the six months these lines generated revenues of approximately 9.937 billion pesos and an operating loss of 1.226 billion pesos.

During the second quarter, local traffic decreased 10.3% compared with the same period in 2007, with a total of 5.644 billion local calls. Local traffic volume was affected by competition from local and cellular telephony and by managed networks, a trend that strengthens the data business although it adversely affects local traffic.

### Long distance

Domestic long distance (DLD) traffic increased 11.3% compared with last year's second quarter, totaling 5.119 billion minutes, due to more packages that include DLD minutes and higher traffic from cellular operators, offset by the decrease in termination traffic with other long distance operators.

In the quarter, outgoing international long distance (ILD) traffic increased 13.8% compared with last year's second quarter, totaling 539 million minutes due to more traffic from cellular operators. Incoming international long distance traffic decreased 16.3% compared with the same period of the previous year, totaling 1.649 billion minutes. The incoming-outgoing ratio was 3.1x.

### Interconnection

In the second quarter, interconnection traffic increased 1.0% compared with the second quarter of the previous year, totaling 11.482 billion minutes. Calling party pays traffic decreased 10.5% as a result of the decrease in local and international calling party pays traffic and to the increase of cellular services. Interconnection traffic with local, long distance and cellular telephony operators increased 5.0%.

#### Internet access and corporate networks

At June 30, 2008, TELMEX had 4.1 million Internet access services, of which 3.8 million are broadband Infinitum. In the second quarter, we obtained a record quarterly gain of 488 thousand Infinitum accounts, 92.7% higher than the number of new accounts opened in last year's second quarter.

Growth of broadband Infinitum services has been supported by the sale of multi-service packages that offer access to broadband service along with various voice services at competitive prices. Multi-service packages increased 71.8% compared with last year's second quarter. The sale of computers also contributed to the increase in revenues of Tiendas TELMEX (TELMEX Stores) and of our telmex.com portal.

In the corporate market, billed line equivalents for data transmission increased 36.4% compared with the second quarter of 2007, bringing the total to 3.4 million line equivalents of 64 Kbps.

#### Financial Results

The following financial information for 2008 is presented in nominal pesos and the financial information for 2007 is expressed in constant pesos as of December 2007, according to Mexican Financial Reporting Standards.

#### Revenues:

In the second quarter, revenues totaled 30.9 billion pesos, a decrease of 6.3% compared with the same period of the previous year. This result was due to the increases of 19.6% in Internet access revenues, 4.1% in corporate networks revenues and 47.4% in other revenues, which includes revenues from Tiendas TELMEX (TELMEX stores) and from the telmex.com portal, as well as for decreases of 10.4% and 9.0% in local and long distance services, respectively, and for the 19.5% decrease in interconnection revenues resulting from the 10.5% decrease in traffic volume and the 9.9% decline in the calling party pays rate.

Local:

Local revenues totaled 12.327 billion pesos in the second quarter, a decrease of 10.4% compared with the second quarter of 2007 due to the 8.5% reduction in real terms of revenue per local billed call and to the decrease in local traffic due to competition from both cellular telephony and other fixed telephony operators.

DLD:

DLD revenues totaled 4.175 billion pesos in the second quarter, 5.2% lower than the second quarter of 2007. The 11.3% increase in traffic was not enough to offset the 11.3% decrease in the average revenue per minute.

ILD:

In the second quarter, ILD revenues totaled 2.103 billion pesos, a decrease of 15.6% compared with the second quarter of the previous year. Revenues from outgoing traffic declined 11.8% to 1.388 billion pesos compared with the second quarter of 2007 due to the 15.5% decrease in average revenue per minute, partially offset by the 13.8% increase in outgoing ILD traffic. Incoming international long distance revenues totaled 716 million pesos, a decrease of 22.1% compared with the second quarter of 2007, reflecting the 16.3% decrease in incoming traffic.

Interconnection:

In the second quarter, interconnection revenues decreased 19.5% to 4.774 billion pesos compared with the same period of 2007, mainly due to the 10.5% decline in calling party pays traffic and the decrease of 9.9% in the calling party pays rate.

Corporate networks:

In the second quarter, revenues from services related to data transmission through private and managed networks totaled 2.872 billion pesos, 4.1% higher than the same period of the previous year. The increase was due to the higher number of services and the sale of value-added services, which offset the reduction in unit prices of these services.

Internet:

Revenues from Internet access in the second quarter totaled 3.190 billion pesos, 19.6% higher than last year's second quarter due to the increase of 39.4% in Internet services, partially offset by lower average unit revenue for broadband Infinitum services.

Costs and expenses:

In the second quarter, total costs and expenses were 21.013 billion pesos, a decrease of 4.6% compared with the second quarter of 2007. This decrease was mainly due to initiatives carried out to optimize resource use, to the 12.4% decrease in the amount paid to cellular operators for calling party pays services, partially offset by higher charges related to the sale of computers and equipment for customers and to the increase in the provision for uncollectables.

Cost of sales and services:

In the second quarter, cost of sales and services decreased 2.2% compared with the same period of 2007, totaling 8.055 billion pesos, due to higher computer and telecommunications equipment costs related to higher sales, offset by initiatives carried out to optimize resource use.

Commercial, administrative and general:

In the quarter, commercial, administrative and general expenses totaled 4.973 billion pesos, 2.5% higher than last year's second quarter due to an increase in the provision for uncollectables related to services rendered to another telecommunications operator.

Interconnection:

In the second quarter, interconnection costs totaled 3.473 billion pesos, a decrease of 19.9% compared with the same period of 2007 as a result of the 12.4% decrease in the amount paid to cellular telephony operators for calling party pays service and the decrease of 10.5% in calling party pays traffic.

Depreciation and amortization:

In the quarter, depreciation and amortization decreased 1.8% to 4.512 billion pesos due to a lower level of investment in recent years.

EBITDA (1) and operating income

: EBITDA (1) totaled 14.424 billion pesos in the second quarter, a decrease of 7.5% compared with the same period of last year. The EBITDA margin was 46.6%. Operating income totaled 9.912 billion pesos in the second quarter and the operating margin was 32.1%.

Comprehensive financing cost:

Comprehensive financing cost produced a charge of 598 million pesos in the quarter. This resulted from: i) a net interest charge of 578 million pesos, 864 million pesos less than the charge registered in the same period of 2007, due to recognition of the market value of interest rate swaps and the decrease in the level of indebtedness, ii) a net



exchange loss of 20 million pesos from the second-quarter exchange rate appreciation of 0.4121 pesos per dollar, offset by 6.977 billion dollars in dollar-peso hedges (weighted average exchange rate: 10.7671 pesos per dollar) and iii) recognition of a decline in the monetary position of 270 million pesos in 2007, an effect that is absent in 2008 under current accounting rules.

Majority income from continuing operations:

Majority net income from continuing operations in the second quarter totaled 6.187 billion pesos, 13.0% lower than the same period of the previous year. Earnings per share were 33 Mexican cents, a year-over-year decrease of 8.3%, and earnings per ADR were 64 US cents, a decrease of 1.5% compared with the same period of 2007.

Investments:

In the first half, capital expenditures (capex) were the equivalent of 338 million dollars, of which 74.9% was used for growth projects in the voice, data and transport infrastructure and 24.9% for operational support projects and operating needs.

Debt:

Total debt at June 30 was the equivalent of 8.872 billion dollars, of which 86.8% is long-term. Of the total debt, 76.4% is in foreign currency and 46.0% has fixed rates. The foreign currency proportion converts to 73.2% if 23.752 billion pesos and 100 million dollars of interest rate swaps at average interest rate of 8.145% and 4.47%, respectively, are included. Total net debt (3) increased during the last twelve months the equivalent of 830 million dollars, totaling 7.925 billion dollars.

Repurchase of shares:

During the second quarter, the company repurchased 211 million 421 thousand of its own shares.

|  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|
| 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 2008 and 2007.  |  |  |  |  |  |  |  |  |  |  |

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|  |     |        |     |        |        |     |             |             |        |   |
|--|-----|--------|-----|--------|--------|-----|-------------|-------------|--------|---|
| Mexico Local Service Business  |     |        |     |        |        |     |             |             |        |   |
| Income Statements  |     |        |     |        |        |     |             |             |        |   |
| [ 2008 in million of nominal pesos, 2007 in millions of Mexican pesos with purchasing power at December 31, 2007 ] |     |        |     |        |        |     |             |             |        |   |
|  |     |        |     |        | %      |     |             |             |        | % |
|  |     | 2Q2008 |     | 2Q2007 | Inc.   |     | 6 months 08 | 6 months 07 | Inc.   |   |
| Revenues   |     |        |     |        |        |     |             |             |        |   |
| Access, rent and measured service  | Ps. | 12,153 | Ps. | 13,495 | (9.9)  | Ps. | 24,638      | 27,197      | (9.4)  |   |
| LADA interconnection   |     | 940    |     | 996    | (5.6)  |     | 1,883       | 2,001       | (5.9)  |   |
| Interconnection with operators   |     | 369    |     | 411    | (10.2) |     | 747         | 797         | (6.3)  |   |
| Interconnection with cellular  |     | 3,122  |     | 3,761  | (17.0) |     | 6,249       | 7,336       | (14.8) |   |
| Other  |     | 3,614  |     | 3,452  | 4.7    |     | 7,082       | 6,412       | 10.4   |   |
| Total  |     | 20,198 |     | 22,115 | (8.7)  |     | 40,599      | 43,743      | (7.2)  |   |
| Costs and expenses   |     |        |     |        |        |     |             |             |        |   |
| Cost of sales and services   |     | 5,854  |     | 5,921  | (1.1)  |     | 11,358      | 11,071      | 2.6    |   |
| Commercial, administrative and general   |     | 4,591  |     | 4,385  | 4.7    |     | 8,856       | 8,474       | 4.5    |   |
| Interconnection  |     | 2,249  |     | 2,717  | (17.2) |     | 4,357       | 5,351       | (18.6) |   |
| Depreciation and amortization  |     | 2,852  |     | 2,986  | (4.5)  |     | 5,733       | 6,012       | (4.6)  |   |
| Total  |     | 15,546 |     | 16,009 | (2.9)  |     | 30,304      | 30,908      | (2.0)  |   |
| Operating income   | Ps. | 4,652  | Ps. | 6,106  | (23.8) | Ps. | 10,295      | 12,835      | (19.8) |   |
| EBITDA (1)   | Ps. | 7,504  | Ps. | 9,092  | (17.5) | Ps. | 16,028      | 18,847      | (15.0) |   |
| EBITDA margin (%)  |     | 37.2   |     | 41.1   | (3.9)  |     | 39.5        | 43.1        | (3.6)  |   |
| Operating margin (%)   |     | 23.0   |     | 27.6   | (4.6)  |     | 25.4        | 29.3        | (3.9)  |   |
| Mexico Long Distance Service Business  |     |        |     |        |        |     |             |             |        |   |
| Income Statements  |     |        |     |        |        |     |             |             |        |   |
| [ 2008 in million of nominal pesos, 2007 in millions of Mexican pesos with purchasing power at December 31, 2007 ] |     |        |     |        |        |     |             |             |        |   |

|  |     | 2Q2008 |     | 2Q2007 | Inc.   |     | 6 months 08 | 6 months 07 | Inc.   | %      |
|--|-----|--------|-----|--------|--------|-----|-------------|-------------|--------|--------|
| Revenues                               |     |        |     |        |        |     |             |             |        |        |
| Domestic long distance                 | Ps. | 4,852  | Ps. | 5,296  | (8.4)  | Ps. | 9,670       | Ps.         | 10,368 | (6.7)  |
| International long distance            |     | 2,157  | Ps. | 2,818  | (23.5) |     | 4,305       |             | 5,603  | (23.2) |
| Total                                  |     | 7,009  | Ps. | 8,114  | (13.6) |     | 13,975      |             | 15,971 | (12.5) |
| Costs and expenses                     |     |        |     |        |        |     |             |             |        |        |
| Cost of sales and services             |     | 1,278  |     | 1,308  | (2.3)  |     | 2,723       |             | 2,776  | (1.9)  |
| Commercial, administrative and general |     | 1,456  |     | 1,427  | 2.0    |     | 2,735       |             | 2,685  | 1.9    |
| Interconnection to the local network   |     | 1,877  |     | 2,304  | (18.5) |     | 3,753       |             | 4,552  | (17.6) |
| Depreciation and amortization          |     | 571    |     | 604    | (5.5)  |     | 1,112       |             | 1,161  | (4.2)  |
| Total                                  |     | 5,182  |     | 5,643  | (8.2)  |     | 10,323      |             | 11,174 | (7.6)  |
| Operating income                       | Ps. | 1,827  | Ps. | 2,471  | (26.1) | Ps. | 3,652       | Ps.         | 4,797  | (23.9) |
| EBITDA (1)                             | Ps. | 2,398  | Ps. | 3,075  | (22.0) | Ps. | 4,764       | Ps.         | 5,958  | (20.0) |
| EBITDA margin (%)                      |     | 34.2   |     | 37.9   | (3.7)  |     | 34.1        |             | 37.3   | (3.2)  |
| Operating margin (%)                   |     | 26.1   |     | 30.5   | (4.4)  |     | 26.1        |             | 30.0   | (3.9)  |

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## MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Thousands of Mexican Pesos)

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(2008 in millions of nominal Mexican pesos and 2007 in millions of Mexican pesos with purchasing power at December 31,2007)

Spin-Off ("Escisión")

## DISCONTINUED OPERATIONS

On December 21, 2007, the stockholders of TELMEX approved the split-up of the Company's Latin American subsidiaries, as well as of its yellow pages business. As a result of the split-up, Telmex Internacional, S.A.B. de C.V. was incorporated on December 26, 2007 and was transferred the assets, liabilities and stockholders' equity of the majority of the foreign subsidiaries and of the yellow pages business. The split-up date for legal, book and tax purposes is December 26, 2007, on which date Telmex Internacional was legally incorporated as a separate Mexican company and from which time, the Company ceased to have control over the subsidiaries mentioned above.

The terms of the split-up establish that neither TELMEX nor Telmex Internacional are to hold shares of the other. At the time of the split-up, all TELMEX stockholders became Telmex Internacional stockholders and consequently, both companies are currently controlled by the same group of stockholders. The relationship between TELMEX and Telmex Internacional will be limited to: i) ordinary commercial relationships, such as those related to international traffic termination services and the preparation and distribution of telephone directories; ii) agreements relating to the implementation of the split-up; and iii) certain temporary agreements that will remain in force until Telmex Internacional has its own administrative capabilities.

In the 2007 financial statements, all assets and liabilities of the split-up entity have been included in the current and non-current long-term assets and liabilities of discontinued operations captions. All income and expenses of the new entity are presented in the statements of income under the caption "Income from discontinued operations, net of income tax". The figures of the 2007 financial statements corresponding to periods prior to the split-up, and their corresponding notes were restructured to present only the assets and liabilities and revenues, costs and expenses of continued operations, without including discontinued operations.

All the assets and liabilities of the split-up operations were transferred to Telmex Internacional at book value. The amount of stockholders' equity transferred to Telmex Internacional in the split-up represents the difference between the assets and liabilities that were transferred. Such amount was recognized as a reduction to stockholders' equity at the time of the split-up.

## RECOGNITION OF THE EFFECTS OF INFLATION

From January 1, 2008, Mexican FRS B-10 "Effects of Inflation", replaced Mexican accounting Bulletin B-10 "Accounting Recognition of the Effects of Inflation on Financial Information". Based on Mexican FRS B-10, the economic environment in Mexico in 2008 has been qualified as non-inflationary, due to inflation in the preceding three fiscal years was less than 12%. Therefore, during 2008 the effects of inflation on financial information of this period were not recognized, keeping the effects of inflation recognized up to December 31, 2007.

Also based on Mexican FRS B-10, in 2008 the total result from holding non-monetary assets, net from deferred taxes, and the accumulated deficit from monetary position, were reclassified to retained earnings.

The financial statements as of June 30, 2007, are presented in monetary units with purchasing power as of December 31, 2007.

## BALANCE SHEET

### S 87 OTHERS

In this item are included the inventories for telephone plant operation that as of June 30, 2008 and 2007 rose \$2,180,499 and \$2,092,927 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

This item includes the projected net asset pursuant to Mexican FRS D-3, "Employees Benefits", effective on January 1, 2008, issued by the Mexican Council for Research and Development of Financial Reporting Standards (CINIF).

As of June 30, 2008, the market value of the established pensions and seniority premium fund was greater than the defined benefit obligation and unamortized items, therefore, pursuant to Mexican FRS D-3, the balance sheet presents a net projected asset.

At June 30, 2007, the market value of the established pensions and seniority premium fund was greater than the accumulated benefit obligation (ABO), and pursuant to Bulletin D-3 effective in 2007, it was 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 are included the bank credits related to purchase programs to suppliers that have been traditionally reported in the suppliers' credits item of the Balance Sheet because long-term caption to suppliers does not exist in EMISNET.

TELMEX entered into a syndicated loan agreement in 2004, which was restructured in 2005 and 2006 to improve the credit conditions and increase 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 SENIOR NOTES

On November 19, 2003, TELMEX issued a bond for U.S.\$ 1.0 billion due November 2008, with an annual interest of 4.5%. Interests are payable semiannually.

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. Interests are payable semiannually. 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 (nominal value), maturing in 2016 and bearing interest at 8.75% annual. Interests are payable semiannually.

On April 23, 2007, Telmex placed domestic senior notes "*Certificados Bursátiles*" for Ps. 9.5 billion in two tranches, the first one for Ps. 5.0 billion with a term of 30 years at a fixed interest rate of 8.36% annual and the second one for Ps. 4.5 billion with a term of 5 years at a rate of the Mexican interbank equilibrium interest rate (*tasa de interés interbancaria de equilibrio or THIE*) less 10 basis points.

On April 21, 2008, TELMEX placed domestic senior notes "*Certificados Bursátiles*" for Ps. 1.6 billion with a term of 10 years at an annual fixed rate of 8.27%.

As of June 30, 2008, the Company had cross currency swaps agreements, which have hedged the exchange rate and interest rate risks related to the bonds with maturity in 2010 and 2015 for a total amount of 1.750 billion dollars and mainly with the bank syndicated loans with maturity from 2009 to 2013 for a total amount of 3.2 billion dollars (with interest rates of three-month Libor plus 20 basis points, three-month Libor plus 25 basis points and three-month Libor plus 32.5 basis points, respectively). These hedges allowed us to fix the exchange rate of our debt on a weighted average exchange rate of 10.7358 Mexican pesos per US dollar, as well as to set a fixed rate of 7.52% and 8.57% for the bonds, respectively, and an average interest rate of 28-day TIE less 38 basis points for the syndicated loans.

#### S 29 SENIOR NOTES (LONG-TERM)

As of June 30, 2008 and 2007, this item rose to \$ 34,397,175 and \$ 46,279,895, respectively, and is comprised as follows:

|                          | 2008           | 2007           |
|--------------------------|----------------|----------------|
| Domestic Senior Notes    | P 11,900,000 s | P 11,033,840 s |
| Bonds                    | 17,997,175     | 30,605,655     |
| Global peso Senior Notes | Ps 4,500,000   | 4,640,400      |

#### S 32 OTHER LIABILITIES

As of June 30, 2008 and 2007, this item rose to Ps 185,298 and Ps. 233,933, respectively, that corresponds to the actuarial obligations for labor termination in Mexico, based on the requirements of Mexican FRS D-3.

#### S 66 DEFERRED TAXES

From 2008, this item includes the liabilities for deferred employee profit sharing, based on Mexican FRS D-3, which establishes that employee profit sharing must be recognized based on the assets and liabilities method established by Mexican FRS D-4 "Taxes on Profits" effective as of January 1, 2008. The initial effect of the recognition of the deferred employee profit sharing, net from its deferred income tax, was recognized to retained earnings without affecting results in 2008.

#### S 42 RETAINED EARNINGS AND CAPITAL RESERVES

On April 27, 2007 the Annual Ordinary Shareholders' Meeting approved to increase in Ps. 15 billion (nominal value), the funds authorized to repurchase its own shares, bringing the total maximum amount to Ps. \$ 23,046,597 (nominal value).

From January through June 2008, the Company acquired 460.1 million L shares for Ps 8,542,529 and 1.1 million A shares for Ps. 21,504.

From January through June 2007, the Company acquired 440.9 million L shares for Ps 7,919,453 (historical cost of Ps. 7,692,967) and 1.3 million A shares for Ps. 24,172 (historical cost of Ps. 23,468).

The Company's repurchased shares are applied to unappropriated retained earnings, in the amount exceeding the portion of the capital stock, corresponding to the repurchased shares.

## S 58 OTHER CURRENT LIABILITIES

As of June 30, 2008 and 2007, this item rose to Ps. 8,773,366 and Ps. 8,386,934 respectively and is comprised as follows:

|                           | 2008          | 2007             |
|---------------------------|---------------|------------------|
| A c c o u n t s payable   | Ps. 6,745,543 | P s<br>6,791,852 |
| Other accrued liabilities | 1,026,205     | 492,898          |
| D e f e r r e d credits   | 1,001,618     | 1,102,184        |

## STATEMENT OF CHANGES IN FINANCIAL POSITION

The statement of changes in financial position (B-12) as of June 30, 2008 is not presented, since based on Mexican FRS B-2 "Cash Flow Statement" issued by the CINIF and effective as of January 1, 2008, Bulletin B-12 was replaced by the cash flow statement.

According to transition rules of Mexican FRS B-2, application of such rules is prospective, so that the financial statements prior to 2008 that are presented in a comparative basis, must be the statement of changes in financial position prepared under Bulletin B-12.

## C 39 OTHER ITEMS

This item includes inventories for operation of the telephone plant, deferred assets, as well as decreases on fixed assets.

## RATIOS

## P 08 INVENTORY TURNOVER RATE-COST

EMISNET automatically calculates the inventory turnover rate by dividing the cost of sales and services (Ref. R 2) by the inventory of goods for sale (Ref. S 6), affecting the actual inventory turnover rate.



RECLASIFICACIONES

Certain 2007 financial statements have been reclassified to conform the presentation used for the year 2008.

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MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 3a

SHARE INVESTMENTS SUBSIDIARIES

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| COMPANY NAME                               | MAIN ACTIVITIES                        | NUMBER OF SHARES | OWNERSHIP |
|--|--|------------------|-----------|
|  |  |                  | %         |
| Integración de Servicios TMX, S.A. de C.V. | Investments in all types of businesses | 106,419,052,434  | 100.00    |
| Aerocomunicaciones, S.A. de C.V.           | Aeronautic radiocom. mobile serv.      | 112,534,600      | 100.00    |
| Aerofrisco, S.A. de C.V.                   | Air Taxi services                      | 7,230,624,600    | 100.00    |
| Alquiladora de Casas, S.A. de C.V.         | Real estate acquisition & leasing      | 686,001,490      | 100.00    |
| Buscatel, S.A. de C.V.                     | Paging services                        | 142,445          | 100.00    |
|  |  | 1,034,000,000    | 100.00    |

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|  |  |             |        |
|--|--|-------------|--------|
| Cía. de Teléfonos y Bienes Raíces, S.A. de C.V.            | Real estate acquisition & leasing          |             |        |
| Comertel Argos, S.A. de C.V.                               | Personnel services                         | 6,000       | 100.00 |
| Consortio Red Uno, S.A. de C.V.                            | Design & integrated telecom. Services      | 279,634,377 | 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          | 100.00 |
| Fintel Holdings, L.L.C.                                    | Investments in all types of businesses     | 1,490       | 100.00 |
| Fuerza y Clima, S.A de C.V.                                | Air conditioning installation & maint.     | 4,925,000   | 100.00 |
| Grupo Técnico de Administración, S.A. de C.V.              | Management, consulting & org. Services     | 50,000      | 100.00 |
| Impulsora Mexicana de Telecomunicaciones, S.A.             | Network projects                           | 4,602,225   | 100.00 |
| Instituto Tecnológico de Teléfonos de México, S.C          | Training & research services               | 1,000       | 100.00 |
| Multicomunicación Integral, S.A. de C.V.                   | Trunking, installation & sales services    | 665,759     | 100.00 |
| Operadora Mercantil, S.A. de C.V.                          | Marketing services                         | 50,000      | 100.00 |
| Renta de Equipo, S.A. de C.V.                              | Equipment, vehicles & real estate leasing  | 769,595,000 | 100.00 |
| Servicios Administrativos Tecmarketing, S.A. de C.V.       | Software development, sales & management   | 60,687,728  | 100.00 |
| Tecmarketing, S.A. de C.V.                                 | Telemarketing services                     | 6,850,000   | 100.00 |
| Telecomunicaciones Controladora de Servicios, S.A. de C.V. | Investments in all types of businesses     | 138,839     | 100.00 |
| Teleconstructora, S.A. de C.V.                             | Construction & maint. of telephone network | 19,400,000  | 100.00 |
| Teléfonos del Noroeste, S.A. de C.V.                       | Telecommunication services                 | 110,000,000 | 100.00 |
| Telmex Holdings, Inc.                                      | Telecommunication services                 | 1,000       | 100.00 |
| Teninver, S.A. de C.V.                                     | Investments in all types of businesses     | 5,296,722   | 100.00 |
| Uninet, S.A. de C.V.                                       | Data transmission services                 | 65,837,647  | 100.00 |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 3b

## SHARE INVESTMENTS AFFILATES

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| COMPANY NAME                                      | MAIN ACTIVITIES                 | NUMBER OF SHARES | OWNERSHIP % | TOTAL AMOUNT<br>(Thousands of Mexican Pesos) |               |
|---|---------------------------------|------------------|-------------|--|---------------|
|   |                                 |                  |             | ACQUISITION COST                             | PRESENT VALUE |
| Grupo Telvista, S.A. de C.V.                      | Telemarketing in Mexico and USA | 450              | 45.00       | 510,138                                      | 522,800       |
| Centro Histórico de la Ciudad de México, SA de CV | Real estate services            | 80,020,000       | 21.77       | 80,020                                       | 100,224       |
| 2Wire, Inc.                                       | Broadband Services              | 8,619,242        | 13.00       | 648,400                                      | 77,274        |
| TM and MS, LLC                                    | Internet portal (Prodigy MSN)   | 1                | 50.00       | 29,621                                       | 134,393       |
| Eidon Software, S.A. de C.V.                      | Software development            | 39,096,742       | 25.00       | 39,097                                       | 70,694        |
| TOTAL INVESTMENT IN ASSOCIATES                    |                                 |                  |             | 1,307,276                                    | 905,385       |
| OTHER PERMANENT INVESTMENTS                       |                                 |                  |             |  | 126,922       |
| TOTAL   |                                 |                  |             | 1,307,276                                    | 1,032,307     |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 5

## CREDITS BREAKDOWN

(Thousands of Mexican Pesos)

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| Credit Type / Institution     | Foreign Institution | Signature date | Amortization Date | Interest Rate | Amortization of Credits Denominated in Pesos |              |              |              |              |                       |
|-------------------------------|---------------------|----------------|-------------------|---------------|--|--------------|--------------|--------------|--------------|-----------------------|
|                               |                     |                |                   |               | Time Interval                                |              |              |              |              |                       |
|                               |                     |                |                   |               | Current Year                                 | Until 1 Year | Until 2 Year | Until 3 Year | Until 4 Year | Until 5 Years or more |
| <b>BANKS</b>                  |                     |                |                   |               |  |              |              |              |              |                       |
| <b>FOREIGN TRADE</b>          |                     |                |                   |               |  |              |              |              |              |                       |
| EXPORT DEVELOPMENT C. (1)     | Y                   | 11/05/01       | 22/04/09          | 3.66          | 0  | 0            | 0            | 0            | 0            | 0                     |
| EXPORT DEVELOPMENT C. (1)     | Y                   | 16/03/06       | 22/07/13          | 3.41          | 0  | 0            | 0            | 0            | 0            | 0                     |
| JAPAN BANK INT. COOP. (1)     | Y                   | 27/03/03       | 10/10/09          | 3.99          | 0  | 0            | 0            | 0            | 0            | 0                     |
| MIZUHO CORPORATE BANK LTD (1) | Y                   | 15/01/07       | 15/01/16          | 3.46          | 0  | 0            | 0            | 0            | 0            | 0                     |
| NATIXIS (3)                   | Y                   | 28/02/86       | 31/03/22          | 2.00          | 0  | 0            | 0            | 0            | 0            | 0                     |
| <b>SECURED DEBT</b>           |                     |                |                   |               |  |              |              |              |              |                       |

|                               |     |          |          |       |   |         |           |   |         |           |
|-------------------------------|-----|----------|----------|-------|---|---------|-----------|---|---------|-----------|
| <b>COMMERCIAL BANK</b>        |     |          |          |       |   |         |           |   |         |           |
| BANAMEX, S.A. (3)             | N/A | 20/02/07 | 22/02/10 | 7.36  | 0 | 0       | 1,500,000 | 0 | 0       |           |
| BANK OF AMERICA, N.A. (2)     | Y   | 13/06/08 | 13/06/14 | 3.13  | 0 | 0       | 0         | 0 | 0       |           |
| BBVA BANCOMER (4)             | N/A | 26/02/07 | 26/02/10 | 8.14  | 0 | 0       | 1,300,000 | 0 | 0       |           |
| BBVA BANCOMER (2)             | Y   | 30/06/06 | 30/06/10 | 2.98  | 0 | 0       | 0         | 0 | 0       |           |
| BBVA BANCOMER (2)             | Y   | 30/06/06 | 30/06/12 | 3.03  | 0 | 0       | 0         | 0 | 0       |           |
| BBVA BANCOMER (4)             | N/A | 12/02/08 | 18/02/14 | 8.18  | 0 | 0       | 0         | 0 | 0       | 1,931,430 |
| CITIBANK, N.A. (2)            | Y   | 11/08/06 | 20/10/09 | 2.98  | 0 | 0       | 0         | 0 | 0       |           |
| CITIBANK, N.A. (2)            | Y   | 11/08/06 | 20/10/11 | 3.03  | 0 | 0       | 0         | 0 | 0       |           |
| CITIBANK, N.A. (2)            | Y   | 11/08/06 | 11/08/13 | 3.11  | 0 | 0       | 0         | 0 | 0       |           |
| CISCO SYSTEMS (3)             | Y   | 25/04/07 | 22/04/12 | 4.50  | 0 | 0       | 0         | 0 | 0       |           |
| <b>OTHER</b>                  |     |          |          |       |   |         |           |   |         |           |
| <b>TOTAL BANKS</b>            |     |          |          |       | 0 | 0       | 2,800,000 | 0 | 0       | 1,931,430 |
| <b>STOCK MARKET</b>           |     |          |          |       |   |         |           |   |         |           |
| <b>LISTED STOCK EXCHANGE</b>  |     |          |          |       |   |         |           |   |         |           |
| <b>UNSECURED DEBT</b>         |     |          |          |       |   |         |           |   |         |           |
| CERT. BURSAT TELMEX 02-3-4(3) | N/A | 31/05/02 | 31/05/12 | 10.14 | 0 | 400,000 | 0         | 0 | 300,000 |           |
| CERT. BURSAT TELMEX 06 (5)    | N/A | 21/09/06 | 15/09/11 | 7.92  | 0 | 0       | 0         | 0 | 500,000 |           |
| CERT. BURSAT TELMEX 07 (3)    | N/A | 23/04/07 | 16/03/37 | 8.36  | 0 | 0       | 0         | 0 | 0       | 5,000,000 |
| CERT. BURSAT TELMEX 07-2 (4)  | N/A | 23/04/07 | 16/04/12 | 8.09  | 0 | 0       | 0         | 0 | 0       | 4,500,000 |
| CERT. BURSAT TELMEX 08 (3)    | N/A | 21/04/08 | 05/04/18 | 8.27  | 0 | 0       | 0         | 0 | 0       | 1,600,000 |

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|   |     |          |          |      |            |         |           |   |         |            |
|---|-----|----------|----------|------|------------|---------|-----------|---|---------|------------|
| 4 1/2 SENIOR NOTES (3)  | Y   | 19/11/03 | 19/11/08 | 4.50 | 0          | 0       | 0         | 0 | 0       | 0          |
| 5 1/2 SENIOR NOTES (3)  | Y   | 27/01/05 | 27/01/15 | 5.50 | 0          | 0       | 0         | 0 | 0       | 0          |
| 4 3/4 SENIOR NOTES (3)  | Y   | 27/01/05 | 27/01/10 | 4.75 | 0          | 0       | 0         | 0 | 0       | 0          |
| 8 3/4 SENIOR NOTES PESOS (3)  | Y   | 31/01/06 | 31/01/16 | 8.75 | 0          | 0       | 0         | 0 | 0       | 4,500,000  |
| <b>SECURED DEBT</b>   |     |          |          |      |            |         |           |   |         |            |
| <b>PRIVATE PLACEMENTS</b>   |     |          |          |      |            |         |           |   |         |            |
| <b>UNSECURED DEBT</b>   |     |          |          |      |            |         |           |   |         |            |
| <b>SECURED DEBT</b>   |     |          |          |      |            |         |           |   |         |            |
| <b>TOTAL STOCK EXCHANGE</b>   |     |          |          |      | 0          | 400,000 | 0         | 0 | 800,000 | 15,600,000 |
| <b>SUPPLIERS</b>  |     |          |          |      |            |         |           |   |         |            |
| <b>TOTAL SUPPLIERS</b>  |     |          |          |      |            |         |           |   |         |            |
| <b>OTHER LONG AND SHORT TERM LOANS WITH COST (\$103) AND (\$30)</b>       |     |          |          |      |            |         |           |   |         |            |
| <b>OTHER LOANS WITH COST</b>  | N/A |          |          |      | 0          | 0       | 0         | 0 | 0       | 0          |
| <b>TOTAL OTHER LONG AND SHORT TERM LOANS WITH COST (\$103) AND (\$30)</b> |     |          |          |      | 0          | 0       | 0         | 0 | 0       | 0          |
| <b>OTHER CURRENT LIABILITIES WITHOUT COST (\$26)</b>                      |     |          |          |      |            |         |           |   |         |            |
| <b>OTHER LIABILITIES WITHOUT COST (\$26)</b>                              |     | 0        | 0        | 0    | 20,292,683 | 0       | 0         | 0 | 0       | 0          |
| <b>TOTAL OTHER CURRENT LIABILITIES WITHOUT COST</b>                       |     |          |          |      | 20,292,683 | 0       | 0         | 0 | 0       | 0          |
| <b>TOTAL</b>  |     |          |          |      | 20,292,683 | 400,000 | 2,800,000 | 0 | 800,000 | 17,531,430 |

NOTES:

A.- Interest rates:

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

1. 6 months Libor rate plus margin
2. 3 months Libor rate plus margin

- 3. Fixed Rate
- 4. 28 days TIE rate plus margin
- 5. 91 days TIE rate plus margin

B.- The following rates were considered:

- Libor

at 6 months in US dollars is equivalent to 3.1088 at June 30, 2008

- Libor

at 3 months in US dollars is equivalent to 2.7831 at June 30, 2008

- TIE

at 28 days is equivalent to 8.1940 at June 30, 2008

- TIE

at 91 days is equivalent to 7.9400 at May 29, 2008

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

June 30, 2008 were as follows:

| CURRENCY     | AMOUNT    | E.R.    |
|--------------|-----------|---------|
| DOLLAR (USD) | 6,754,526 | 10.2841 |
| EURO (EUR)   | 14,943    | 16.2098 |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 6

FOREIGN EXCHANGE MONETARY POSITION

(Thousands of Mexican Pesos)

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| FOREIGN CURRENCY POSITION | DOLLARS          |                | OTHER CURRENCIES |                | TOTAL THOUSAND PESOS |
|---------------------------|------------------|----------------|------------------|----------------|----------------------|
|                           | THOUSAND DOLLARS | THOUSAND PESOS | THOUSAND DOLLARS | THOUSAND PESOS |                      |
| MONETARY ASSETS           | 195,250          | 2,007,966      | 0                | 0              | 2,007,966            |
| LIABILITIES               | 6,923,673        | 71,203,742     | 23,553           | 242,226        | 71,445,968           |
| SHORT-TERM LIABILITIES    | 1,299,736        | 13,366,611     | 2,333            | 23,992         | 13,390,603           |
| LONG-TERM LIABILITIES     | 5,623,937        | 57,837,131     | 21,220           | 218,234        | 58,055,365           |
| NET BALANCE               | (6,728,423)      | (69,195,776)   | (23,553)         | (242,226)      | (69,438,002)         |

## NOTES:

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

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

| CURRENCY     | E.R.    |
|--------------|---------|
| DOLLAR (USD) | 10.2841 |
| EURO         | 16.2098 |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 7



**CALCULATION AND RESULT FROM MONETARY POSITION**

(Thousands of Mexican Pesos)

Consolidated

Final printing

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| MONTH                             | MONETARY ASSETS | MONETARY LIABILITIES | (ASSETS) LIABILITIES MONETARY POSITION | MONTHLY INFLATION | MONTHLY EFFECT (ASSET) LIABILITIES |
|-----------------------------------|-----------------|----------------------|--|-------------------|------------------------------------|
|                                   |                 |                      |  |                   |                                    |
| TOTAL                             |                 |                      |  |                   | 0                                  |
| FIGURES FOR INFORMATION PURPOSES: |                 |                      |  |                   |                                    |
| CAPITALIZED MONETARY GAIN         |                 |                      |  |                   |                                    |

NOTES:

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TELÉFONOS DE MÉXICO, S.A.B. 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.B. 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 June 30, 2008, the Company has complied with such restrictive covenants.

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**STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008**

**TELÉFONOS DE MÉXICO, S.A.B. DE C.V.**

**ANNEX 9**

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

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

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 10

RAW MATERIALS

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

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 11a

SALES DISTRIBUTION BY PRODUCT

SALES

(Thousands of Mexican Pesos)

Consolidated

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| MAIN PRODUCTS            | NET SALES |            | MARKET<br>PART.<br>(%) | MAIN       |           |
|--------------------------|-----------|------------|------------------------|------------|-----------|
|                          | VOLUME    | AMOUNT     |                        | TRADEMARKS | CUSTOMERS |
| DOMESTIC SALES           |           |            |                        |            |           |
| LOCAL SERVICE            | 0         | 25,019,935 | 0.0                    |            |           |
| LONG DISTANCE<br>SERVICE | 0         | 10,865,976 | 0.0                    |            |           |
| INTERCONNECTION          | 0         | 9,565,075  | 0.0                    |            |           |
| CORPORATE<br>NETWORKS    | 0         | 5,858,775  | 0.0                    |            |           |
| INTERNET                 | 0         | 6,110,500  | 0.0                    |            |           |
| OTHERS                   | 0         | 2,969,332  | 0.0                    |            |           |
| FOREIGN SALES            |           |            |                        |            |           |
| NET SETTLEMENT           | 0         | 1,398,315  | 0                      |            |           |
| LONG DISTANCE<br>SERVICE | 0         | 253,106    | 0                      |            |           |
| OTHERS                   | 0         | 6,372      | 0                      |            |           |
| TOTAL                    |           | 62,047,386 |                        |            |           |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 11b

SALES DISTRIBUTION BY PRODUCT

FOREIGN SALES

(Thousands of Mexican Pesos)

Consolidated

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| MAIN PRODUCTS         | NET SALES |           | DESTINATION | MAIN       |           |
|-----------------------|-----------|-----------|-------------|------------|-----------|
|                       | VOLUME    | AMOUNT    |             | TRADEMARKS | CUSTOMERS |
| EXPORT                |           |           |             |            |           |
| NET SETTLEMENT        | 0         | 1,398,315 |             |            |           |
| FOREIGN SUBSIDIARIES  |           |           |             |            |           |
| LONG DISTANCE SERVICE | 0         | 253,106   |             |            |           |
| OTHERS                | 0         | 6,372     |             |            |           |
| TOTAL                 |           | 1,657,793 |             |            |           |
| NOTES:                |           |           |             |            |           |

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Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

## ANALYSIS OF PAID CAPITAL STOCK

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| SERIES | NOMINAL VALUE | VALID COUPON | NUMBER OF SHARES |                  |         |                     | CAPITAL STOCK<br>(Thousand pesos) |          |
|--------|---------------|--------------|------------------|------------------|---------|---------------------|-----------------------------------|----------|
|        |               |              | FIXED PORTION    | VARIABLE PORTION | MEXICAN | PUBLIC SUSSCRIPTION | FIXED                             | VARIABLE |
| A      | 0.0043        | 0            | 423,960,702      | 0                | 0       | 423,960,702         | 1,830                             | 0        |
|        |               |              |                  |                  |         |                     |                                   |          |

|   |        |   |                |   |               |                |                |   |  |
|---|--------|---|----------------|---|---------------|----------------|----------------|---|--|
| AA  | 0.0043 | 0 | 8,114,596,082  | 0 | 8,114,596,082 | 0              | 35,035         | 0 |  |
| L   | 0.0043 | 0 | 10,360,642,376 | 0 | 0             | 10,360,642,376 | 44,733         | 0 |  |
| TOTAL   |        |   | 18,899,199,160 | 0 | 8,114,596,082 | 10,784,603,078 | 81,598         | 0 |  |
| TOTAL NUMBER OF SHARES REPRESENTING CAPITAL STOCK ON THE REPORTING DATE OF THE INFORMATION: |        |   |                |   |               |                | 18,899,199,160 |   |  |
| NOTES:  |        |   |                |   |               |                |                |   |  |
| The nominal value per share is \$0.0043175625 MXN   |        |   |                |   |               |                |                |   |  |

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MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 13

PROJECT INFORMATION

(Thousands of Mexican Pesos)

Consolidated

Final printing

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|      |                           |  |
|------|---------------------------|--|
| ITEM | Thousand of Mexican Pesos |  |
|      | 2nd.<br>Quarter 08        |  |

Apr-Jun

% of

Advance

Amount used

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

2008

Budget

2008

% of

Advance

DATA

1,217,278

43.9

1,888,683

2,772,833

68.1

INTERNAL PLANT

46,141

16.4

49,663

282,139

17.6

NETWORKS

167,201

22.3

245,461

749,801

32.7

TRANSMISSION NETWORK

454,078

34.9

55

|                                |           |
|--------------------------------|-----------|
|                                | 562,432   |
|                                | 1,301,663 |
|                                | 43.2      |
| SYSTEMS                        |           |
|                                | 13,250    |
|                                | 3.8       |
|                                | 24,262    |
|                                | 351,736   |
|                                | 6.9       |
| OTHERS                         |           |
|                                | 443,256   |
|                                | 22.3      |
|                                | 728,519   |
|                                | 1,992,024 |
|                                | 36.6      |
| TELMEX USA                     |           |
|                                | 39,575    |
|                                | 17.4      |
|                                | 40,292    |
|                                | 228,000   |
|                                | 17.7      |
| TOTAL INVESTMENT TELMEX MEXICO |           |
|                                | 2,380,779 |
|                                | 31.0      |
|                                | 3,539,312 |
|                                | 7,678,196 |
|                                | 56        |



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MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 14

TRANSACTIONS IN FOREIGN CURRENCY AND EXCHANGE OF FINANCIAL STATEMENTS FROM  
FOREIGN OPERATIONS

Consolidated

Final printing

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Exchange differences

Transactions in foreign currency are recorded at the prevailing exchange rate on the day of the related transaction. Foreign currency-denominated assets and liabilities are translated at the prevailing exchange rate at the balance sheet date. Exchange differences determined from such date to the time foreign-currency-denominated assets and liabilities are settled or translated at the balance sheet date are charged or credited to operations.

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MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

GENERAL INFORMATION

Consolidated

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## ISSUER GENERAL INFORMATION

|                   |                                     |
|-------------------|-------------------------------------|
| COMPANY:          | TELEFONOS DE MEXICO, S.A.B. DE C.V. |
| ADDRESS:          | PARQUE VIA 198, COL. CUAUHTEMOC     |
| ZIP:              | 06599                               |
| CITY:             | MEXICO, D.F.                        |
| TELEPHONE:        | 52 22 12 12                         |
| FAX:              |                                     |
| E-MAIL:           |                                     |
| INTERNET<br>PAGE: | www.telmex.com                      |

## ISSUER FISCAL INFORMATION

|  |                                    |
|--|------------------------------------|
| TAX PAYER FEDERAL<br>ID: FISCAL ADDRESS: | TME 840315KT6                      |
| ZIP:                                     | PARQUE VIA 198, COL.<br>CUAUHTEMOC |
| CITY:                                    | 06599                              |
|  | 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 <sup>TH</sup> . FLOOR OFFICE 1001, COL. CUAUHTEMOC |
| 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 <sup>TH</sup> . FLOOR OFFICE 1004, COL. CUAUHEMOC |
| 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 <sup>TH</sup> . FLOOR OFFICE 1016, COL. CUAUHEMOC |
| 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 <sup>TH</sup> . 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 <sup>ND</sup> . FLOOR OFFICE 202, COL. CUAUHTEMOC |
| ZIP:          | 06599  |
| CITY:         | MEXICO, D.F.   |
| TELEPHONE:    | 52 22 53 22  |
| FAX:          | 55 46 21 11  |
| E-MAIL:       | mpineda@telmex.com   |

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

E-MAIL: smedinan@telmex.com

|               |  |
|---------------|--|
| POSITION BMV: | DISTRIBUTION OF FINANCIAL INFORMATION DELEGATE                       |
| POSITION:     | COMPTRROLLER   |
| NAME:         | LIC. ROLANDO REYNIER VALDES  |
| ADDRESS:      | PARQUE VIA 198 - 5 <sup>TH</sup> . 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:     | SHAREHOLDER SERVICES MANAGER   |
| NAME:         | LIC. MIGUEL ANGEL PINEDA CATALAN                                     |
| ADDRESS:      | PARQUE VIA 198 - 2 <sup>ND</sup> . FLOOR OFFICE 202, COL. CUAUHTEMOC |
| ZIP:          | 06599  |
| CITY:         | MEXICO, D.F.   |
| TELEPHONE:    | 52 22 53 22  |
| FAX:          | 55 46 21 11  |
| E-MAIL:       | mpineda@telmex.com   |

|               |  |
|---------------|--|
| POSITION BMV: | INVESTOR INFORMATION RESPONSIBLE                                     |
| POSITION:     | INVESTORS RELATIONS SUPERVISOR                                       |
| NAME:         | LIC. ANNA DOMINGUEZ GONZALEZ   |
| ADDRESS:      | PARQUE VIA 198 - 7 <sup>TH</sup> . FLOOR OFFICE 701, COL. CUAUHTEMOC |
| ZIP:          | 06599  |

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

|               |  |
|---------------|--|
| POSITION BMV: | SECRETARY OF THE BOARD OF DIRECTORS                                  |
| POSITION:     | LEGAL DIRECTOR   |
| NAME:         | LIC. SERGIO F. MEDINA NORIEGA  |
| ADDRESS:      | PARQUE VIA 190 - 2 <sup>ND</sup> . FLOOR OFFICE 202, COL. CUAUHTEMOC |
| ZIP:          | 06599  |
| CITY:         | MEXICO, D.F.   |
| TELEPHONE:    | 52 22 14 25  |
| FAX:          | 55 46 43 74  |
| E-MAIL:       | smedinan@telmex.com  |

|               |  |
|---------------|--|
| POSITION BMV: | PAYMENT RESPOSIBLE   |
| POSITION:     | COMPROLLER   |
| NAME:         | LIC. ROLANDO REYNIER VALDES  |
| ADDRESS:      | PARQUE VIA 198 - 5 <sup>TH</sup> . 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  |

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MEXICAN STOCK EXCHANGE

## SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2008

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

## BOARD OF DIRECTORS

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| POSITION                          | NAME |                  |          |          |
|-----------------------------------|------|------------------|----------|----------|
| CHAIRMAN OF THE BOARD             | ING. | JAIME            | CHICO    | PARDO    |
| CO-CHAIRMAN                       | LIC. | CARLOS           | SLIM     | DOMIT    |
| VICE CHAIRMAN<br>(INDEPENDENT)    | C.P. | JUAN<br>ANTONIO  | PEREZ    | SIMON    |
| BOARD PROPIETORS<br>(INDEPENDENT) | ING. | ANTONIO          | COSIO    | ARIÑO    |
| BOARD PROPIETORS<br>(INDEPENDENT) | DRA. | AMPARO           | ESPINOSA | RUGARCIA |
| BOARD PROPIETORS<br>(INDEPENDENT) | ING. | ELMER            | FRANCO   | MACIAS   |
| BOARD PROPIETORS<br>(INDEPENDENT) | LIC. | ANGEL            | LOSADA   | MORENO   |
| BOARD PROPIETORS<br>(INDEPENDENT) | LIC. | JOSE             | KURI     | HARFUSH  |
| BOARD PROPIETORS                  | LIC. | MARCO<br>ANTONIO | SLIM     | DOMIT    |
| BOARD PROPIETORS<br>(INDEPENDENT) | SR.  | JOHN             | STEPHENS |          |
| BOARD PROPIETORS                  | LIC. | HECTOR           | SLIM     | SEADE    |
| BOARD PROPIETORS<br>(INDEPENDENT) | SR.  | LARRY            | I.       | BOYLE    |
| BOARD PROPIETORS<br>(INDEPENDENT) | C.P. | RAFAEL           | KALACH   | MIZRAHI  |
| BOARD PROPIETORS<br>(INDEPENDENT) | LIC  | RICARDO          | MARTIN   | BRINGAS  |
|                                   |      |                  |          |          |
|                                   |      |                  |          |          |

|  |      |                  |                  |             |
|--|------|------------------|------------------|-------------|
| BOARD ALTERNATES                       | LIC. | PATRICK          | SLIM             | DOMIT       |
| BOARD ALTERNATES                       | C.P. | JOSÉ<br>HUMBERTO | GUTIERREZ-OLVERA | ZUBIZARRETA |
| BOARD ALTERNATES<br>(INDEPENDENT)      | LIC. | JORGE C.         | ESTEVE           | RECOLONS    |
| BOARD ALTERNATES<br>(INDEPENDENT)      | ING. | ANTONIO          | COSIO            | PANDO       |
| BOARD ALTERNATES<br>(INDEPENDENT)      | SR.  | EDUARDO          | TRICIO           | HARO        |
| BOARD ALTERNATES<br>(INDEPENDENT)      | ING. | AGUSTIN          | FRANCO           | MACIAS      |
| BOARD ALTERNATES<br>(INDEPENDENT)      | LIC. | JAIME            | ALVERDE          | GOYA        |
| BOARD ALTERNATES                       | LIC. | EDUARDO          | VALDES           | ACRA        |
| BOARD ALTERNATES                       | SR.  | JORGE A.         | CHAPA            | SALAZAR     |
| SECRETARY OF THE BOARD<br>OF DIRECTORS | LIC. | SERGIO           | MEDINA           | NORIEGA     |
| ASSISTANT SECRETARY                    | LIC. | RAFAEL           | ROBLES           | MIAJA       |

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## SIGNATURE

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

Date: **July 22, 2008.**

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

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

Name: Adolfo Cerezo Pérez  
Title: Chief Financial Officer

Ref: TELÉFONOS DE MÉXICO, S.A.B. DE C.V. - **Second Quarter 2008.**