

TELEFONOS DE MEXICO S A B DE C V
Form 6-K
July 23, 2009

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 2009**

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: 2009

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-01

CONSOLIDATED BALANCE SHEETS

AT JUNE 30, 2009 & 2008

(Thousands of Mexican Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | | QUARTER OF PREVIOUS FINANCIAL YEAR | |
|----------|--|--------------------------------------|-----|--|-----|
| | | Amount | % | Amount | % |
| s01 | TOTAL ASSETS | 184,491,038 | 100 | 170,846,015 | 100 |
| s02 | CURRENT ASSETS | 55,941,938 | 30 | 35,913,510 | 21 |
| s03 | CASH AND SHORT-TERM INVESTMENTS | 14,445,527 | 8 | 9,729,274 | 6 |
| s04 | ACCOUNTS AND NOTES RECEIVABLE (NET) | 17,940,633 | 10 | 17,407,662 | 10 |
| s05 | OTHER ACCOUNTS AND NOTES RECEIVABLE (NET) | 5,253,325 | 3 | 4,232,329 | 2 |
| s06 | INVENTORIES | 2,006,825 | 1 | 1,886,914 | 1 |
| s07 | OTHER CURRENT ASSETS | 16,295,628 | 9 | 2,657,331 | 2 |
| s08 | LONG - TERM | 1,614,872 | 1 | 1,471,477 | 1 |
| s09 | ACCOUNTS AND NOTES RECEIVABLE (NET) | 0 | 0 | 0 | 0 |
| s10 | INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES | 1,490,283 | 1 | 1,344,555 | 1 |
| s11 | OTHER INVESTMENTS | 124,589 | 0 | 126,922 | 0 |
| s12 | PROPERTY, PLANT AND EQUIPMENT (NET) | 109,574,924 | 59 | 115,435,506 | 68 |
| s13 | LAND AND BUILDINGS | 0 | 0 | 0 | 0 |
| s14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 402,074,557 | 218 | 392,572,812 | 230 |
| s15 | OTHER EQUIPMENT | 0 | 0 | 0 | 0 |

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| | | | | | |
|------|---|-------------|-----|-------------|-----|
| s16 | ACCUMULATED DEPRECIATION | 293,415,776 | 159 | 277,938,487 | 163 |
| s17 | CONSTRUCTIONS IN PROGRESS | 916,143 | 0 | 801,181 | 0 |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 2,131,166 | 1 | 2,382,556 | 1 |
| s19 | OTHER ASSETS | 15,228,138 | 8 | 15,642,966 | 9 |
| | | | | | |
| s20 | TOTAL LIABILITIES | 142,057,471 | 100 | 133,746,734 | 100 |
| | | | | | |
| s21 | CURRENT LIABILITIES | 58,348,180 | 41 | 32,116,191 | 24 |
| s22 | SUPPLIERS | 0 | 0 | 0 | 0 |
| s23 | BANK LOANS | 25,045,472 | 18 | 1,366,977 | 1 |
| s24 | STOCK MARKET LOANS | 12,542,185 | 9 | 10,684,100 | 8 |
| s103 | OTHER LOANS WITH COST | 0 | 0 | 0 | 0 |
| s25 | TAXES PAYABLE | 1,954,870 | 1 | 1,746,005 | 1 |
| s26 | OTHER CURRENT LIABILITIES | 18,805,653 | 13 | 18,319,109 | 14 |
| s27 | LONG - TERM LIABILITIES | 63,278,408 | 45 | 79,186,800 | 59 |
| s28 | BANK LOANS | 36,337,692 | 26 | 44,789,625 | 33 |
| s29 | STOCK MARKET LOANS | 26,940,716 | 19 | 34,397,175 | 26 |
| s30 | OTHER LOANS WITH COST | 0 | 0 | 0 | 0 |
| s31 | DEFERRED LIABILITIES | 378,926 | 0 | 445,122 | 0 |
| s32 | OTHER NON CURRENT LIABILITIES | 20,051,957 | 14 | 21,998,621 | 16 |
| | | | | | |
| s33 | CONSOLIDATED STOCKHOLDERS' EQUITY | 42,433,567 | 100 | 37,099,281 | 100 |
| | | | | | |
| s34 | NON-CONTROLLING INTEREST | 45,923 | 0 | 40,025 | 0 |
| s35 | CONTROLLING INTEREST | 42,387,644 | 100 | 37,059,256 | 100 |
| s36 | CONTRIBUTED CAPITAL | 9,089,193 | 21 | 9,253,292 | 25 |
| s79 | CAPITAL STOCK (NOMINAL) | 9,089,193 | 21 | 9,253,292 | 25 |
| s39 | PREMIUM ON SALES OF SHARES | 0 | 0 | 0 | 0 |
| s40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 | 0 | 0 |
| s41 | CAPITAL INCREASE (DECREASE) | 33,298,451 | 78 | 27,805,964 | 75 |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVE | 32,398,871 | 76 | 27,105,405 | 73 |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | 899,580 | 2 | 700,559 | 2 |
| s80 | SHARES REPURCHASED | 0 | 0 | 0 | 0 |

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-02

CONSOLIDATED BALANCE SHEETS

- BREAKDOWN OF MAIN CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|------------|--|-----------------------|------------|------------------------|---|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| s03 | CASH AND AVAILABLE INVESTMENTS | 14,445,527 | 100 | 9,729,274 | |
| s46 | CASH | 1,187,071 | 8 | 1,282,409 | |
| s47 | AVAILABLE INVESTMENTS | 13,258,456 | 92 | 8,446,865 | |
| | | | | | |
| s07 | OTHER CURRENT ASSETS | 16,295,628 | 100 | 2,657,331 | |
| s81 | DERIVATIVE FINANCIAL INSTRUMENTS | 12,893,211 | 79 | 0 | |
| s82 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | |
| s83 | OTHER | 3,402,417 | 21 | 2,657,331 | |
| | | | | | |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 2,131,166 | 100 | 2,382,556 | |
| s48 | AMORTIZED OR REDEEMED EXPENSES | 1,168,899 | 55 | 1,371,672 | |
| s49 | GOODWILL | 0 | 0 | 0 | |
| s51 | OTHERS | 962,267 | 45 | 1,010,884 | |
| | | | | | |
| s19 | OTHER ASSETS | 15,228,138 | 100 | 15,642,966 | |
| s85 | DERIVATIVE FINANCIAL INSTRUMENTS | 0 | 0 | 0 | |
| s50 | DEFERRED TAXES | 0 | 0 | 0 | |
| s104 | BENEFITS FOR EMPLOYEES | 12,945,718 | 85 | 13,462,467 | |
| s86 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | |
| s87 | OTHER | 2,282,420 | 15 | 2,180,499 | |
| | | | | | |
| s21 | CURRENT LIABILITIES | 58,348,180 | 100 | 32,116,191 | |

| | | | | |
|------------|--|-------------------|------------|-------------------|
| s52 | FOREIGN CURRENCY LIABILITIES | 36,528,292 | 63 | 13,351,583 |
| s53 | MEXICAN PESOS LIABILITIES | 21,819,888 | 37 | 18,764,608 |
| | | | | |
| s26 | OTHER CURRENT LIABILITIES | 18,805,653 | 100 | 18,319,109 |
| s88 | DERIVATIVE FINANCIAL INSTRUMENTS | 182,729 | 1 | 1,271,248 |
| s89 | INTEREST LIABILITIES | 959,684 | 5 | 974,746 |
| s68 | PROVISIONS | 0 | 0 | 0 |
| s90 | DISCONTINUED OPERATIONS | 0 | 0 | 0 |
| s58 | OTHER CURRENT LIABILITIES | 9,924,179 | 53 | 8,742,636 |
| s105 | BENEFITS FOR EMPLOYEES | 7,739,061 | 41 | 7,330,479 |
| | | | | |
| s27 | LONG-TERM LIABILITIES | 63,278,408 | 100 | 79,186,800 |
| s59 | FOREIGN CURRENCY LIABILITIES | 46,878,408 | 74 | 58,055,364 |
| s60 | MEXICAN PESOS LIABILITIES | 16,400,000 | 26 | 21,131,436 |
| | | | | |
| s31 | DEFERRED LIABILITIES | 378,926 | 100 | 445,122 |
| s65 | GOODWILL | 0 | 0 | 0 |
| s67 | OTHERS | 378,926 | 100 | 445,122 |
| | | | | |
| s32 | OTHER NON CURRENT LIABILITIES | 20,051,957 | 100 | 21,998,621 |
| s66 | DEFERRED TAXES | 15,550,499 | 78 | 16,289,112 |
| s91 | OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE | 4,501,458 | 22 | 5,709,509 |
| s92 | DISCONTINUED OPERATIONS | 0 | 0 | 0 |
| s69 | OTHER LIABILITIES | 0 | 0 | 0 |
| | | | | |
| s79 | CAPITAL STOCK | 9,089,193 | 100 | 9,253,292 |
| s37 | CAPITAL STOCK (NOMINAL) | 79,457 | 1 | 81,598 |
| s38 | RESTATEMENT OF CAPITAL STOCK | 9,009,736 | 99 | 9,171,694 |
| | | | | |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVES | 32,398,871 | 100 | 27,105,405 |
| s93 | LEGAL RESERVE | 1,880,513 | 6 | 1,880,513 |
| s43 | RESERVE FOR REPURCHASE OF SHARES | 0 | 0 | 0 |
| s94 | OTHER RESERVES | 0 | 0 | 0 |
| s95 | RETAINED EARNINGS | 19,835,122 | 61 | 13,463,567 |
| s45 | NET INCOME FOR THE YEAR | 10,683,236 | 33 | 11,761,325 |
| | | | | |

| | | | | | |
|------|---|----------------|------------|----------------|--|
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | 899,580 | 100 | 700,559 | |
| s70 | ACCUMULATED MONETARY RESULT | 0 | 0 | 0 | |
| s71 | RESULT FROM HOLDING NON-MONETARY ASSETS | 0 | 0 | 0 | |
| s96 | CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION | 207,262 | 23 | 1,320 | |
| s97 | CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS | 1,068,392 | 119 | 1,103,530 | |
| s98 | CUMULATIVE EFFECT OF DEFERRED INCOME TAXES | (376,074) | (42) | (404,291) | |
| s100 | OTHERS | 0 | 0 | 0 | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-03

CONSOLIDATED BALANCE SHEETS

- OTHER CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

| REF S | CONCEPTS | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|----------|--------------------------------------|--------------------|---------------------|
| | | FINANCIAL YEAR | FINANCIAL YEAR |
| | | Amount | Amount |
| s72 | WORKING CAPITAL | (2,406,242) | 3,797,319 |
| s73 | PENSIONS FUND AND SENIORITY PREMIUMS | 0 | 0 |
| s74 | EXECUTIVES (*) | 89 | 96 |
| s75 | EMPLOYEES (*) | 9,371 | 9,740 |
| s76 | WORKERS (*) | 44,124 | 45,165 |
| s77 | OUTSTANDING SHARES (*) | 18,403,277,360 | 18,899,199,160 |
| s78 | REPURCHASE OF OWN SHARER(*) | 151,776,000 | 461,198,310 |
| s101 | RESTRICTED CASH | 0 | 0 |

| | | | |
|------|---|---|---|
| s102 | DEBT WITH COST OF AFFILIATES NON CONSOLIDATED | 0 | 0 |
|------|---|---|---|

(*) THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-04

CONSOLIDATED STATEMENTS OF INCOME

- FROM JANUARY 01 TO JUNE 30, 2009 & 2008 -

(Thousands of Mexican Pesos)

Final printing

| REF R | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|--|-----------------------|-----|------------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| r01 | OPERATING REVENUES | 59,809,770 | 100 | 62,047,386 | 100 |
| r02 | COST OF SALES AND SERVICES | 31,512,675 | 53 | 31,801,108 | 51 |
| r03 | GROSS INCOME | 28,297,095 | 47 | 30,246,278 | 49 |
| r04 | OPERATING EXPENSES | 10,186,774 | 17 | 9,704,392 | 16 |
| r05 | OPERATING INCOME | 18,110,321 | 30 | 20,541,886 | 33 |
| r08 | OTHER EXPENSES AND INCOMES (NET) | (857,735) | (1) | (883,862) | (1) |
| r06 | COMPREHENSIVE FINANCING COST | (1,804,344) | (3) | (3,164,878) | (5) |
| r12 | EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES, JOINT BUSINESSES AND AFFILIATES | 79,710 | 0 | 21,982 | 0 |
| r48 | NON-ORDINARY ITEMS | 0 | 0 | 0 | 0 |
| r09 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 15,527,952 | 26 | 16,515,128 | 27 |
| r10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 4,843,711 | 8 | 4,754,999 | 8 |
| r11 | NET INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 10,684,241 | 18 | 11,760,129 | 19 |
| r14 | INCOME FROM DISCONTINUED OPERATIONS (NET) | 0 | 0 | 0 | 0 |

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| | | | | | |
|-----|---|-------------------|-----------|-------------------|-----------|
| r18 | NET INCOME | 10,684,241 | 18 | 11,760,129 | 19 |
| r19 | NET INCOME OF NON-CONTROLLING INTEREST | 1,005 | 0 | (1,196) | 0 |
| r20 | NET INCOME OF CONTROLLING INTEREST | 10,683,236 | 18 | 11,761,325 | 19 |
| | | | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

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

| REF R | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|----------|----------------------------------|--------------------|-------|---------------------|-------|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| r01 | OPERATING REVENUES | 59,809,770 | 100 | 62,047,386 | 100 |
| r21 | DOMESTIC | 57,595,307 | 96 | 60,389,593 | 97 |
| r22 | FOREIGN | 2,214,463 | 4 | 1,657,793 | 3 |
| r23 | TRANSLATION INTO DOLLARS (***) | 157,994 | 0 | 161,200 | 0 |
| | | | | | |
| r08 | OTHER EXPENSES AND INCOMES (NET) | (857,735) | 100 | (883,862) | 100 |
| r49 | OTHER EXPENSES AND INCOMES (NET) | 203,082 | (24) | 140,528 | (16) |
| r34 | EMPLOYEE PROFIT SHARING | 1,268,761 | (148) | 1,411,442 | (160) |
| r35 | DEFERRED EMPLOYEE PROFIT SHARING | (207,944) | 24 | (387,052) | 44 |
| | | | | | |
| r06 | COMPREHENSIVE FINANCING COST | (1,804,344) | 100 | (3,164,878) | 100 |

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| | | | | | |
|---|--|-----------|-------|-----------|------|
| r24 | INTEREST EXPENSE | 3,302,592 | (183) | 2,958,738 | (93) |
| r42 | LOSS (GAIN) ON RESTATEMENT OF UDI'S | 0 | 0 | 0 | 0 |
| r45 | OTHER FINANCIAL COSTS | 0 | 0 | 0 | 0 |
| r26 | INTEREST INCOME | 399,434 | (22) | 328,640 | (10) |
| r46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| r25 | FOREIGN EXCHANGE LOSS (GAIN) (NET) | 1,098,814 | (61) | (534,780) | 17 |
| r28 | RESULT FROM MONETARY POSITION | 0 | 0 | 0 | 0 |
| | | | | | |
| r10 | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 4,843,711 | 100 | 4,754,999 | 100 |
| r32 | INCOME TAX | 5,346,801 | 110 | 5,393,280 | 113 |
| r33 | DEFERRED INCOME TAX | (503,090) | (10) | (638,281) | (13) |
| | | | | | |
| (***) THOUSAND DOLLARS AT THE PREVAILING EXCHANGE RATE AT THE END OF THE REPORTING PERIOD. | | | | | |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

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 R | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|-------------------------|---|---|
| | | Amount | Amount |
| r36 | TOTAL REVENUES | 59,809,770 | 62,047,386 |
| r37 | TAX RESULT FOR THE YEAR | 0 | 0 |

| | | | |
|------|---|-------------|-------------|
| r38 | OPERATING REVENUES (**) | 121,867,619 | 126,855,405 |
| r39 | OPERATING INCOME (**) | 37,311,404 | 41,589,469 |
| r40 | NET INCOME OF CONTROLLING INTEREST (**) | 19,098,847 | 29,640,323 |
| r41 | NET INCOME (**) | 19,101,023 | 29,994,040 |
| r47 | OPERATIVE DEPRECIATION AND ACCUMULATED | 8,584,224 | 8,577,642 |
| | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-07

CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

- FROM JANUARY 01 TO JUNE 30, 2009 & 2008 -

(Thousands of Mexican Pesos)

Final printing

| REF RT | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|-----------|--|--------------------|-----|---------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| rt01 | OPERATING REVENUES | 29,792,355 | 100 | 30,925,356 | 100 |
| rt02 | COST OF SALES AND SERVICES | 16,058,479 | 54 | 16,040,085 | 52 |
| rt03 | GROSS INCOME | 13,733,876 | 46 | 14,885,271 | 48 |
| rt04 | OPERATING EXPENSES | 5,240,809 | 18 | 4,973,059 | 16 |
| rt05 | OPERATING INCOME | 8,493,067 | 29 | 9,912,212 | 32 |
| rt08 | OTHER EXPENSES AND INCOMES (NET) | (608,075) | (2) | (482,930) | (2) |
| rt06 | COMPREHENSIVE FINANCING COST | 589,507 | 2 | (598,932) | (2) |
| rt12 | EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES, JOINT BUSINESSES AND AFFILIATES | 80,821 | 0 | 11,221 | (0) |
| rt48 | NON-ORDINARY ITEMS | 0 | 0 | 0 | 0 |
| rt09 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 8,555,320 | 29 | 8,841,571 | 29 |

| | | | | | |
|------|---|-----------|----|-----------|-----|
| rt10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 2,631,076 | 9 | 2,654,610 | 9 |
| rt11 | NET INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 5,924,244 | 20 | 6,186,961 | 20 |
| rt14 | INCOME FROM DISCONTINUED OPERATIONS (NET) | 0 | 0 | 0 | 0 |
| rt18 | NET INCOME | 5,924,244 | 20 | 6,186,961 | 20 |
| rt19 | NET INCOME OF NON-CONTROLLING INTEREST | 354 | 0 | (121) | (0) |
| rt20 | NET INCOME OF CONTROLLING INTEREST | 5,923,890 | 20 | 6,187,082 | 20 |
| | | | | | |

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

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

| REF RT | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|-----------|------------------------------------|--------------------|-------|---------------------|-------|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| rt01 | OPERATING REVENUES | 29,792,355 | 100 | 30,925,356 | 100 |
| rt21 | DOMESTIC | 28,849,613 | 97 | 30,083,200 | 97 |
| rt22 | FOREIGN | 942,742 | 3 | 842,156 | 3 |
| rt23 | TRANSLATION INTO DOLLARS (***) | 69,973 | 0 | 84,935 | 0 |
| | | | | | |
| rt08 | OTHER REVENUES AND (EXPENSES), NET | (608,075) | 100 | (482,930) | 100 |
| rt49 | OTHER REVENUES AND (EXPENSES), NET | 13,016 | (2) | 74,741 | (15) |
| rt34 | EMPLOYEE PROFIT SHARING | 607,006 | (100) | 712,378 | (148) |
| rt35 | | 14,085 | (2) | (154,707) | 32 |

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| | DEFERRED EMPLOYEE PROFIT SHARING | | | | |
|---|--|-----------|-----|-----------|-------|
| rt06 | COMPREHENSIVE FINANCING COST | 589,507 | 100 | (598,932) | 100 |
| rt24 | INTEREST EXPENSE | 1,268,816 | 215 | 773,477 | (129) |
| rt42 | LOSS (GAIN) ON RESTATEMENT OF UDI'S | 0 | 0 | 0 | 0 |
| rt45 | OTHER FINANCIAL COSTS | 0 | 0 | 0 | 0 |
| rt26 | INTEREST INCOME | 191,136 | 32 | 195,113 | (33) |
| rt46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| rt25 | FOREIGN EXCHANGE LOSS (GAIN) (NET) | 1,667,187 | 283 | (20,568) | 3 |
| rt28 | RESULT FROM MONETARY POSITION | 0 | 0 | 0 | 0 |
| rt10 | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 2,631,076 | 100 | 2,654,610 | 100 |
| rt32 | INCOME TAX | 2,700,838 | 103 | 2,654,894 | 100 |
| rt33 | DEFERRED INCOME TAX | (69,762) | (3) | (284) | (0) |
| (***) THOUSAND DOLLARS AT THE PREVAILING EXCHANGE RATE AT THE END OF THE REPORTING PERIOD. | | | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-09

CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

- OTHER CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

| REF | CONCEPTS | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|-----|----------|--------------------|---------------------|
| RT | | FINANCIAL YEAR | FINANCIAL YEAR |

| | | Amount | Amount |
|------|--|-----------|-----------|
| rt47 | OPERATIVE DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES | 4,316,906 | 4,287,688 |
| | | | |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-12

DATA PER SHARE

- CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

| REF D | CONCEPTS | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|----------|--|-----------------------|------------------------|
| | | FINANCIAL YEAR | FINANCIAL YEAR |
| | | Amount | Amount |
| d01 | BASIC INCOME PER ORDINARY SHARE (**) | \$1.03 | \$1.53 |
| d02 | BASIC INCOME PER PREFERENT SHARE (**) | \$0.00 | \$0.00 |
| d03 | DILUTED INCOME PER ORDINARY SHARE (**) | \$0.00 | \$0.00 |
| d04 | INCOME (LOSS) FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | \$1.03 | \$1.53 |
| d05 | EFFECT OF DISCONTINUOUS OPERATIONS ON INCOME (LOSS) FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | \$0.00 | \$0.00 |
| d08 | CARRYING VALUE PER SHARE | \$2.30 | \$1.96 |
| d09 | ACUMULATED CASH DIVIDEND PER SHARE | \$0.21 | \$0.21 |
| d10 | SHARE DIVIDENDS PER SHARE | 0.00 shares | 0.00 shares |

| | | | |
|--|---|-------------|------------|
| d11 | MARKET PRICE TO CARRYING VALUE | 4.67 times | 6.24 times |
| d12 | MARKET PRICE TO BASIC INCOME PER ORDINARY SHARE (**) | 10.43 times | 8.00 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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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-13

RATIOS

- CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

| REF P | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|----------|---|---|--|
| | YIELD | | |
| p01 | NET INCOME (LOSS) TO OPERATING REVENUES | 17.86% | 18.95% |
| p02 | NET INCOME TO STOCKHOLDERS' EQUITY (**) | 45.01% | 80.85% |
| p03 | NET INCOME TO TOTAL ASSETS (**) | 10.35% | 17.56% |
| p04 | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME | 19.23 | 11.15 |
| p05 | INCOME DUE TO MONETARY POSITION TO NET INCOME | 0.00% | 0.00% |
| | ACTIVITY | | |
| p06 | | 0.66 times | 0.74 times |

| | | | |
|---|--|-------------|-------------|
| | OPERATING REVENUES TO TOTAL ASSETS (**) | | |
| p07 | OPERATING REVENUES TO FIXED ASSETS (**) | 1.11 times | 1.10 times |
| p08 | INVENTORIES ROTATION (**) | 32.01 times | 34.70 times |
| p09 | ACCOUNTS RECEIVABLE IN DAYS OF SALES | 47.00 days | 44.00 days |
| p10 | INTEREST PAID TO TOTAL LIABILITIES WITH COST (**) | 7.93% | 6.83 % |
| | LEVERAGE | | |
| p11 | TOTAL LIABILITIES TO TOTAL ASSETS | 77.00% | 78.28% |
| p12 | TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY | 3.35 times | 3.61 times |
| p13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 58.71% | 53.39% |
| p14 | LONG-TERM LIABILITIES TO FIXED ASSETS | 57.75% | 68.60% |
| p15 | OPERATING INCOME (LOSS) TO INTEREST PAID | 5.48 times | 6.94 times |
| p16 | OPERATING REVENUES TO TOTAL LIABILITIES (**) | 0.86 times | 0.95 times |
| | LIQUIDITY | | |
| p17 | CURRENT ASSETS TO CURRENT LIABILITIES | 0.96 times | 1.12 times |
| p18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 0.92 times | 1.06 times |
| p19 | CURRENT ASSETS TO TOTAL LIABILITIES | 0.39 times | 0.27 times |
| p20 | AVAILABLE ASSETS TO CURRENT LIABILITIES | 24.76% | 30.29% |
| (**) INFORMATION OF THE PAST TWELVE MONTHS | | | |

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

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)

| REF E | CONCEPTS | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|----------|--|-----------------------|------------------------|
| | | FINANCIAL YEAR | FINANCIAL YEAR |
| | | Amount | Amount |
| | OPERATION ACTIVITIES | | |
| e01 | INCOME (LOST) BEFORE INCOME TAXES | 15,527,952 | 16,515,128 |
| e02 | +(-) ITEMS NOT REQUIRING CASH | 3,711,114 | 3,263,450 |
| e03 | +(-) ITEMS RELATED TO INVESTING ACTIVITIES | 8,905,605 | 8,978,375 |
| e04 | +(-) ITEMS RELATED TO FINANCING ACTIVITIES | 2,296,383 | 3,045,597 |
| e05 | CASH FLOWS BEFORE INCOME TAX | 30,441,054 | 31,802,550 |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION | (6,106,429) | (5,894,551) |
| e07 | NET CASH FLOWS PROVIDED OF OPERATING ACTIVITIES | 24,334,625 | 25,907,999 |
| | INVESTMENT ACTIVITIES | | |
| e08 | NET CASH FLOW FROM INVESTING ACTIVITIES | (6,544,257) | (7,444,591) |
| e09 | CASH IN EXCESS (REQUIRED) TO BE APPLIED IN FINANCING ACTIVITIES | 17,790,368 | 18,463,408 |
| | | | |
| | FINANCING ACTIVITIES | | |
| e10 | NET CASH FROM FINANCING ACTIVITIES | (9,481,404) | (13,431,886) |
| e11 | NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | 8,308,964 | 5,031,522 |
| e12 | TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS | 0 | 0 |
| e13 | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 6,136,563 | 4,697,752 |
| e14 | CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 14,445,527 | 9,729,274 |
| | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

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

| REF E | CONCEPTS | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|------------|--|-----------------------|------------------------|
| | | FINANCIAL YEAR | FINANCIAL YEAR |
| | | Amount | Amount |
| e02 | +(-) ITEMS NOT REQUIRING CASH | 3,711,114 | 3,263,450 |
| e15 | +ESTIMATES FOR THE PERIOD | 14,455 | 9,485 |
| e16 | +PROVISIONS FOR THE PERIOD | 3,689,839 | 3,291,296 |
| e17 | +(-) OTHER UNREALIZED ITEMS | 6,820 | (37,331) |
| | | | |
| e03 | +(-) ITEMS RELATED TO INVESTING ACTIVITIES | 8,905,605 | 8,978,375 |
| e18 | +DEPRECIATION AND AMORTIZATION FOR THE PERIOD (*) | 8,985,313 | 9,000,358 |
| 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 | (79,708) | (21,983) |
| e22 | (-)DIVIDENDS RECEIVED | 0 | 0 |
| e23 | (-)INTEREST INCOME | 0 | 0 |
| e24 | (-)+ OTHER ITEMS | 0 | 0 |
| | | | |
| e04 | +(-) ITEMS RELATED TO FINANCING ACTIVITIES | 2,296,383 | 3,045,597 |
| e25 | +ACCRUED INTERESTS | 3,302,591 | 2,958,738 |
| e26 | +(-) OTHER ITEMS | (1,006,208) | 86,859 |
| | | | |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION | (6,106,429) | (5,894,551) |
| e27 | +(-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE | (1,990,191) | (1,281,758) |
| e28 | +(-) DECREASE (INCREASE) IN INVENTORIES | (92,519) | 304,196 |
| e29 | | (657,847) | 6,165 |

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| | | | |
|------------|--|--------------------|---------------------|
| | +(-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE AND OTHER ASSETS | | |
| e30 | +(-) INCREASE (DECREASE) IN SUPPLIERS | (322,915) | (408,667) |
| e31 | +(-) INCREASE (DECREASE) IN OTHER LIABILITIES | 3,230,839 | 465,644 |
| e32 | +(-) INCOME TAXES PAID OR RETURNED | (6,273,796) | (4,980,131) |
| | | | |
| e08 | NET CASH FLOWS OF INVESTING ACTIVITIES | (6,544,257) | (7,444,591) |
| e33 | - PERMANENT INVESTMENT IN SHARES | (87,890) | (22,259) |
| e34 | +DISPOSITION OF PERMANENT INVESTMENT IN SHARES | 0 | 95,376 |
| e35 | - INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT | (6,844,281) | (7,002,078) |
| e36 | + SALE OF PROPERTY, PLANT AND EQUIPMENT | 0 | 0 |
| e37 | - INVESTMENT IN INTANGIBLE ASSETS | 6,391 | (38,641) |
| 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 | 381,523 | (476,989) |
| | | | |
| e10 | NET CASH FLOWS OF FINANCING ACTIVITIES | (9,481,404) | (13,431,886) |
| e45 | + BANK FINANCING | 167,296 | 5,445,252 |
| e46 | + STOCK MARKET FINANCING | 0 | 0 |
| e47 | + OTHER FINANCING | 0 | 0 |
| e48 | (-) BANK FINANCING AMORTIZATION | (4,144,277) | (1,692,970) |
| e49 | (-) STOCK MARKET FINANCING AMORTIZATION | 0 | 0 |
| e50 | (-) OTHER FINANCING AMORTIZATION | 0 | 0 |
| e51 | + (-) INCREASE (DECREASE) IN CAPITAL STOCK | 0 | 0 |
| e52 | (-) DIVIDENDS PAID | (3,880,930) | (3,955,789) |
| e53 | + PREMIUM ON ISSUANCE OF SHARES | 0 | 0 |
| e54 | + CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 |
| e55 | - INTEREST EXPENSE | (2,249,594) | (2,472,404) |
| e56 | (-) REPURCHASE OF SHARES | (1,695,687) | (8,564,033) |
| e57 | +(-) OTHER ITEMS | 2,321,788 | (2,191,942) |
| | | | |

* IN CASE THAT THIS AMOUNT IS DIFFERENT FROM ACCOUNT R47 IT SHALL BE EXPLAINED IN NOTES

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 1

CHIEF EXECUTIVE OFFICER REPORT

Consolidated

Final printing

Highlights

Second Quarter 2009

- **Economy** - In 2009, the economy of the country has decreased at a double digit rate, the steepest decline in the GDP since 1932. In spite of this, TELMEX maintained its focus on growth in broadband services, IT (Information Technology) and computer sales to continue to drive the digital culture and the technological development of the country. This dynamic growth has been achieved through of significant investments carried out in the last 10 years.
- Our prices have decreased in nominal terms for the past 9 years. With the strong devaluation of the peso, prices in dollar terms are even lower, ranking Mexico among the world's major economies with the lowest cost for a telephone line that includes 100 unlimited local calls plus maintenance (11.5 dollars per month plus VAT).
- **Broadband** – In the last 5 and a half years, we had significant growth in broadband Infinitum services reaching 5.9 million customers at June 2009 compared with 179 thousand customers and less than 42% of market share in December 2003, which in addition to the substantial growth in services of our competitors makes Mexico one of the countries with the highest broadband growth rates in the world. The annual average growth rate is more than 70%, achieving broadband penetration of approximately 30% in homes. (*Bank of America / Merrill Lynch, Global Wireline Matrix 2009*).
- The main limitation for broadband growth in Mexico is the lack of computers since only one out of four homes has a computer. However, more than 90% of homes with a computer have access to broadband Internet. In order to increase computer penetration in Mexican homes, we have enhanced our multi-service packages to include an offering of a laptop. Depending on the customer's PC choice, the cost may be as low as 100 pesos (VAT included) per month in installments up to 48 months with a down payment starting at 949 pesos.
- During 2009, our investments in traditional voice lines and in telecommunications services in rural communities have decreased. On the other hand, we continue investing to drive broadband services and IT.
- In the second quarter, total revenues were 29.8 billion pesos, 3.7% lower than the same period of the previous year. These results reflected decreases of 7.3%, 16.8%, and 11.3% in local, long distance and interconnection revenues, respectively, as well as increases of 26.5% in Internet access revenues and 16.0% in corporate networks revenues.

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- From April to June 2009, EBITDA (1) totaled 13.0 billion pesos, 9.7% lower than the second quarter of last year. Operating income totaled 8.5 billion pesos, 14.3% lower than last year's second quarter.
- Net income in the quarter totaled 5.9 billion pesos, 4.3% lower than the same period of last year. For the second quarter, earnings per share were 32 Mexican cents, similar to the second quarter of last year, and earnings per ADR (2) were 47 US cents, a decrease of 24.2% compared with the same quarter of 2008.
- TELMEX's total debt at June 30, 2009 was the equivalent of 7.640 billion dollars. Total net debt (3) was equivalent to 6.546 billion dollars, 1.379 billion dollars less than June 30, 2008. On July 8, 2009 we placed 4 billion pesos in two-year tradable certificates (TELMEX 09) at 28 days Mexican interbank equilibrium interest rate (TIIE) plus 74 basis points, and we sold another 4 billion pesos of four-year tradable certificates (TELMEX 09-2) at 28 days Mexican interbank equilibrium interest rate (TIIE) plus 95 basis points. These issuances were rated "mxAAA" by Standard & Poor's and "Aaa.mx" by Moody's.
- In the second quarter, capital expenditures (capex) were the equivalent of 166 million dollars and for the six months, capex was the equivalent of 390 million dollars. From April to June, the company used 823 million pesos to repurchase 75 million 367 thousand of its own shares.

(1) EBITDA: defined as operating income plus depreciation and amortization. Go to www.telmex.com in the Investor Relations section where you will find the reconciliation of EBITDA to operating income.

(2) One ADR represents 20 shares.

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

Operating Results

Lines in service and local traffic

At the end of the second quarter, the number of lines in service was 17 million 415 thousand, 99 thousand lower than the first quarter of 2009. The number of disconnections is occurring mainly as a result of competition from fixed, mobile and pay TV companies and also because our packages enable some of our customers to cancel additional lines.

Of our lines in service, approximately 10.3 million are in areas that interest competitors and where they also have presence. However, 7.1 million lines are in areas that hold no interest to competitors. In the first half, these lines generated revenues of approximately 9.391 billion pesos and an operating loss of 1.768 billion pesos.

During the second quarter, local traffic decreased 6.9% compared with the same period of 2008, totaling 5.257 billion local calls. Local traffic volume continues to be affected mainly by the increase in penetration of cellular telephony, which is changing customers' consumption habits, and by competition from local and pay TV companies.

Long distance

In the second quarter, domestic long distance (DLD) traffic decreased 1.2% compared with last year's second quarter, totaling 5.055 billion minutes, due to the decrease in termination traffic with cellular operators, more multi-service package offerings that include DLD minutes and higher traffic from other fixed telephony operators.

From April to June, outgoing international long distance (ILD) traffic decreased 36.1% compared with last year's second quarter, totaling 345 million minutes due to the decrease in traffic from mobile operators and the slowdown of industrial activity in the country. Incoming international long distance traffic decreased 16.2% compared with the same period of the previous year, totaling 1.381 billion minutes. The incoming-outgoing ratio was 4.0x.

Interconnection

In the second quarter, interconnection traffic totaled 10.882 billion minutes, 5.2% lower than the same quarter of 2008, mainly due to the decrease of 11.0% in calling party pays traffic. Interconnection traffic with local, long distance and cellular telephony operators decreased 3.5%.

Internet access

In the last 5 and a half years, we had significant growth in broadband Infinitum services reaching 5.9 million customers at June 2009 compared with 179 thousand customers and less than 42% of market share in December 2003, which in addition to the substantial growth in services of our competitors makes Mexico one of the countries with the highest broadband growth rates in the world. The annual average growth rate is more than 70%, achieving broadband penetration of approximately 30% in homes. (*Bank of America / Merrill Lynch, Global Wireline Matrix 2009*).

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This growth has been supported by our multi-service packages. These packages benefit families and small and medium-sized businesses by offering discounts up to 42% and access to broadband service and different voice services. This strategy delivered growth of 95.4% in the number of packages compared with the same period of 2008. At the same time, we offer corporate customers special plans based on their consumption patterns.

The main limitation for broadband growth in Mexico is the lack of computers since only one out of four homes has a computer. However, more than 90% of homes with a computer have access to broadband Internet. In order to increase computer penetration in Mexican homes, we have expanded our multi-service packages to include an offering of a laptop. Depending on the customer's PC choice, the cost may be as low as 100 pesos (VAT included) per month in installments up to 48 months with a down payment of 949 pesos.

Financial Results

The following financial information for 2009 and 2008 is presented in nominal pesos, according to Mexican Financial Reporting Standards.

Revenues: In the second quarter, revenues totaled 29.792 billion pesos, a decrease of 3.7% compared with the same period of the previous year. These results include decreases of 7.3% in local service revenues, 16.8% in long distance service revenues and 11.3% in interconnection revenues. The decrease in interconnection revenues reflected a decline of 6.6% in the average revenue of calling party pays services, partially offset by increases of 26.5% in Internet access revenues and 16.0% in corporate networks revenues.

- **Local:** Local service revenues totaled 11.432 billion pesos in the second quarter; a decrease of 7.3% compared with the same quarter of 2008, due to the 6.4% decrease in revenue per local billed call and the decrease of 6.9% in local traffic volume.
- **DLD:** In the quarter, DLD revenues totaled 3.560 billion pesos, 14.7% lower than the second quarter of 2008, due to the 1.2% decrease in traffic and the 13.7% decline in the average revenue per minute. The results reflected increased market penetration of packages that include long distance minutes, which incentivizes traffic but reduces average revenue per minute.
- **ILD:** From January to March, ILD revenues totaled 1.661 billion pesos, a decrease of 21.0% compared with the same period of the previous year. Outgoing traffic revenues declined 23.5% to 1.062 billion pesos compared with the second quarter of 2008 due to the decrease in outgoing traffic of 36.1% and a 19.7% increase in the average revenue per minute. Incoming international long distance traffic revenues totaled 599 million pesos, a decrease of 16.2% compared with the

second quarter of 2008.

- **Interconnection:** In the quarter, interconnection revenues decreased 11.3% to 4.233 billion pesos compared with the second quarter of 2008, mainly due to the 11.0% decline in calling party pays traffic and the decrease of 6.6% in the calling party pays rate.
- **Corporate networks:** In the corporate market, we continue promoting growth of VPN (Virtual Private Networks) and the integration of value-added products in our product and services offering. As a result we have been able to increase our participation in the information technology and telecommunications budgets of our customers. These initiatives allowed corporate service revenues to total 3.343 billion pesos, an increase of 16.0% compared with the second quarter of last year.
- **Internet access:** Revenues from Internet access in the second quarter totaled 4.024 billion pesos, 26.5% higher than last year's second quarter due to the increase of 48.7% in Internet access services offset by lower average unit revenue for broadband Infinitum services.

Costs and expenses: In the second quarter, total costs and expenses were 21.299 billion pesos, an increase of 1.4% compared with the same period of 2008, mainly due to higher commissions related to growth in broadband services, charges related to labor costs and a higher reserve for uncollectables, partially offset by initiatives carried out to optimize resource use.

- **Cost of sales and services:** In the second quarter, cost of sales and services increased 6.7% compared with the same period of 2008, totaling 8.540 billion pesos, due to higher costs related to computer sales and charges related to labor costs.
- **Commercial, administrative and general:** In the second quarter, commercial, administrative and general expenses totaled 5.241 billion pesos, 5.4% higher than last year's second quarter, mainly due to higher commissions related to growth in broadband services and an increase in the reserve for uncollectables.
- **Interconnection:** Interconnection costs totaled 2.991 billion pesos, a decrease of 15.2% compared with the second quarter of 2008 due to the 9.9% decrease in the amount paid to cellular telephony operators for calling party pays services and the decrease of 11.0% in calling party pays traffic.

- **Depreciation and amortization:** In the second quarter, depreciation and amortization increased 0.3% compared with the same period of 2008, to 4.527 billion pesos.

EBITDA (1) and operating income: EBITDA (1) totaled 13.020 billion pesos in the second quarter, a decrease of 9.7% compared with the same period of last year. The EBITDA margin was 43.7%. Operating income totaled 8.493 billion pesos in the second quarter and the operating margin was 28.5%.

Financing cost: In the second quarter, financing cost produced a gain of 589 million pesos. This resulted from: i) a net interest charge of 1.078 billion pesos, mainly due to the recognition of the market value of interest rate swaps, partially offset by the decrease in interest paid due to lower debt and ii) a net exchange gain of 1.667 billion pesos from the second-quarter exchange rate appreciation of 1.1294 pesos per dollar and 5.351 billion dollars in dollar-peso hedges.

Net income: In the second quarter, net income totaled 5.924 billion pesos, 4.3% lower than the same period of the previous year. Earnings per share were 32 Mexican cents, similar to last year's second quarter, and earnings per ADR (2) were 47 US cents, a decrease of 24.2% compared with the same period of 2008.

Investments: In the second quarter, capital expenditures (capex) were the equivalent of 166 million dollars and for the six months, capex was the equivalent of 390 million dollars, of which 72.1% was used for projects in the data, connectivity and transmission platforms and the rest for other projects providing operational support.

Debt: Total debt at June 30, 2009 was the equivalent of 7.640 billion dollars, of which 62.7% is long-term, 45.4% has fixed rates considering interest rate swaps, and 81.0% is in foreign currency, equivalent to 6.186 billion dollars. To minimize risks from variations in the exchange rate, we have dollar-peso hedges for 5.351 billion dollars. Total net debt (3) decreased during the last twelve months the equivalent of 1.379 billion dollars, bringing the total to 6.546 billion dollars.

On July 8, 2009 we placed 4 billion pesos in two-year tradable certificates (TELMEX 09) at 28 days Mexican interbank equilibrium interest rate (TIIE) plus 74 basis points and we sold another 4 billion pesos of four-year tradable certificates (TELMEX 09-2) at 28 days Mexican interbank equilibrium interest rate (TIIE) plus 95 basis points. These issuances were rated "mxAAA" by Standard & Poor's and "Aaa.mx" by Moody's.

Repurchase of shares: During the second quarter, the company used 823 million pesos to repurchase 75 million 367 thousand of its own shares.

On July 2 and 3, 2009, COFECO (*Comisión Federal de Competencia*) Mexico's Antitrust Commission, notified TELMEX of two resolutions in which it declares the company has: i) substantial power in wholesale markets of local, domestic long distance, international long distance of leased dedicated links and interconnection and ii) substantial power in relevant markets in local transit of public switched voice traffic through public telecommunications networks. TELMEX will act on its rights to a review process as provided in the "Ley Federal de Competencia Económica" (Federal Economic Competition Law) in the time frame and under the conditions set by law. The resolutions put forth by COFECO will not take effect while that process is under way. TELMEX believes that its arguments are sound; nevertheless, there is no certainty of the outcome in this matter.

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 separation of the local and long distance services is presented

below for the second quarter of 2009 and 2008.

**Mexico Local
Service Business**

Income Statements

[In millions of
Mexican pesos]

| | | | | % | | | | % |
|---|-------------------|--|------------|---------------|--|--------------------|-------------|---------------|
| | 2Q2009 | | 2Q2008 | Inc. | | 6 months 09 | 6 months 08 | Inc. |
| Revenues | | | | | | | | |
| Access, rent and measured service | Ps. 11,333 | | Ps. 12,153 | (6.7) | | Ps. 22,773 | Ps. 24,638 | (7.6) |
| LADA interconnection | 1,270 | | 940 | 35.1 | | 2,621 | 1,883 | 39.2 |
| Interconnection with operators | 497 | | 369 | 34.7 | | 937 | 747 | 25.4 |
| Interconnection with cellular operators | 2,834 | | 3,122 | (9.2) | | 5,609 | 6,249 | (10.2) |
| Other | 3,697 | | 3,783 | (2.3) | | 7,386 | 7,419 | (0.4) |
| Total | 19,631 | | 20,367 | (3.6) | | 39,326 | 40,936 | (3.9) |
| Costs and expenses | | | | | | | | |
| Cost of sales and services | 6,266 | | 5,854 | 7.0 | | 12,098 | 11,358 | 6.5 |
| Commercial, administrative and general | 4,706 | | 4,591 | 2.5 | | 9,246 | 8,856 | 4.4 |
| Interconnection | 1,871 | | 2,249 | (16.8) | | 3,683 | 4,357 | (15.5) |
| Depreciation and amortization | 2,682 | | 2,852 | (6.0) | | 5,353 | 5,733 | (6.6) |
| Total | 15,525 | | 15,546 | (0.1) | | 30,380 | 30,304 | 0.3 |
| Operating income | Ps. 4,106 | | Ps. 4,821 | (14.8) | | Ps. 8,946 | Ps. 10,632 | (15.9) |

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| | | | | | | | | | | |
|----------------------|------------|--------------|-----|-------|---------------|-----|---------------|-----|--------|---------------|
| EBITDA (1) | Ps. | 6,788 | Ps. | 7,673 | (11.5) | Ps. | 14,299 | Ps. | 16,365 | (12.6) |
| EBITDA margin (%) | | 34.6 | | 37.7 | (3.1) | | 36.4 | | 40.0 | (3.6) |
| Operating margin (%) | | 20.9 | | 23.7 | (2.8) | | 22.7 | | 26.0 | (3.3) |

Mexico Long Distance Service Business

Income Statements

[In millions of Mexican pesos]

| | | 2Q2009 | | 2Q2008 | % Inc. | | 6 months 09 | 6 months 08 | | % Inc. |
|--|-----------|---------------|----|--------|---------------|-----------|--------------------|-------------|--------|---------------|
| Revenues | | | | | | | | | | |
| Domestic long distance | P. | 4,095 | P. | 4,852 | (15.6) | P. | 8,339 | P. | 9,670 | (13.8) |
| International long distance | | 1,587 | | 2,157 | (26.4) | | 3,393 | | 4,305 | (21.2) |
| Total | | 5,682 | | 7,009 | (18.9) | | 11,732 | | 13,975 | (16.1) |
| Costs and expenses | | | | | | | | | | |
| Cost of sales and services | | 1,290 | | 1,278 | 0.9 | | 2,741 | | 2,723 | 0.7 |
| Commercial, administrative and general | | 1,344 | | 1,456 | (7.7) | | 2,691 | | 2,735 | (1.6) |
| Interconnection to the local network | | 1,831 | | 1,877 | (2.5) | | 3,824 | | 3,753 | 1.9 |
| Depreciation and amortization | | 469 | | 571 | (17.9) | | 990 | | 1,112 | (11.0) |
| Total | | 4,934 | | 5,182 | (4.8) | | 10,246 | | 10,323 | (0.7) |
| Operating income | P. | 748 | P. | 1,827 | (59.1) | P. | 1,486 | P. | 3,652 | (59.3) |
| EBITDA (1) | P. | 1,217 | P. | 2,398 | (49.2) | P. | 2,476 | P. | 4,764 | (48.0) |
| EBITDA margin (%) | | 21.4 | | 34.2 | (12.8) | | 21.1 | | 34.1 | (13.0) |

| | | | | | | |
|----------------------|------|------|--------|------|------|--------|
| Operating margin (%) | 13.2 | 26.1 | (12.9) | 12.7 | 26.1 | (13.4) |
|----------------------|------|------|--------|------|------|--------|

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Thousands of Mexican Pesos)

Consolidated

Final printing

(Figures in thousands of Mexican pesos)

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 environments in Mexico in 2009 and 2008 have been qualified as non-inflationary, due to inflation in the preceding three fiscal years was 15.01% and 11.56%, respectively. Therefore, during 2009 and 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.

BALANCE SHEET

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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 were payable semiannually. In November 2008, the Company repaid the outstanding balance of this bond.

On January 27, 2005, TELMEX placed senior notes in an 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. 4,500,000 (nominal value), maturing in 2016 and bearing interest at 8.75% annual. Interests are payable semiannually.

On September 30, 2005, TELMEX obtained approval for a long-term domestic senior notes program in the amount of Ps.10,000,000 (nominal value). As of April 30, 2007, domestic senior notes had been issued for the total amount authorized under this program.

On December 2007, TELMEX obtained approval for a long-term domestic senior notes program in the amount of Ps.10,000,000 (nominal value). In April 2008, domestic senior notes were placed in the amount of Ps.1,600,000. On July 8, 2009, two issuances of

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domestic senior notes were made under this program for a total amount of Ps.8,000,000.

S 29 SENIOR NOTES (LONG-TERM)

As of June 30, 2009 and 2008, this item rose to \$ 26,940,716 and \$ 34,397,175, respectively, and is comprised as follows:

| | 2009 | 2008 |
|--------------------------|---------------------|----------------|
| Domestic Senior Notes | P s . 11,900,000 | Ps. 11,900,000 |
| Bonds | 10,540,716 | 17,997,175 |
| Global peso Senior Notes | Ps 4,500,000 | 4,500,000 |

S 42 RETAINED EARNINGS AND CAPITAL RESERVES

On March 3, 2009 the Annual Ordinary Shareholders' Meeting approved to increase in Ps. 10,000,000 (nominal value), the funds authorized to repurchase its own shares, bringing the total maximum amount to Ps. \$ 10,340,868 (nominal value).

From January through June 2009, the Company acquired 151.0 million L shares for Ps. 1,686,736 and 0.8 million A shares for Ps. 8,951.

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.

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 104 EMPLOYEES BENEFITS

This item includes the projected net assets as of June 30, 2009 and 2008 pursuant to Mexican FRS D-3 "Employees Benefits".

S 87 OTHERS

In this item there are included the inventories for telephone plant operation, which are valued by the average cost method and up to December 31, 2007 were updated based on the specific index method which is similar to its replacement value, without exceeding their market value.

S 58 OTHER CURRENT LIABILITIES

As of June 30, 2009 and 2008, this item rose to Ps. 9,924,179 and Ps. 8,742,636 respectively and is comprised as follows:

| | 2009 | 2008 |
|---------------------------|---------------|--------------|
| A c c o u n t s payable | Ps. 6,812,784 | Ps 6,745,543 |
| Other accrued liabilities | 1,511,514 | 995,475 |
| D e f e r r e d credits | 1,599,881 | 1,001,618 |

S 91 EMPLOYEE BENEFITS

This item includes liabilities for deferred employee profit sharing and actuarial obligations for labor termination as of June 30, 2009 and 2008, pursuant to Mexican FRS D-3 and Bulletin D-3, respectively.

RATIOS

P 08 INVENTORY TURNOVER RATE-COST

EMISNET automatically calculates the inventory turnover rate by dividing the cost of sales and services (Ref. R 02) by the inventories for sale (Ref. S 06), affecting the actual inventory turnover rate.

RECLASIFICATIONS

Certain 2008 financial statements have been reclassified to conform with the presentation used for the year 2009.

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 3a

SHARE INVESTMENTS SUBSIDIARIES

Consolidated

Final printing

| 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 | 100.0 |
| Aerocomunicaciones, S.A. de C.V. | Aeronautic radiocom. mobile serv. | 117,534,600 | 100.0 |
| Aerofrisco, S.A. de C.V. | Air Taxi services | 7,230,624,600 | 100.0 |
| Alquiladora de Casas, S.A. de C.V. | Real estate acquisition & leasing | 686,001,490 | 100.0 |

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| | | | |
|--|--|----------------|------|
| Buscatel, S.A. de C.V. | Paging services | 142,445 | 100. |
| Cfa. de Teléfonos y Bienes Raíces, S.A. de C.V. | Real estate acquisition & leasing | 1,034,000,000 | 100. |
| Comertel Argos, S.A. de C.V. | Personnel services | 6,000 | 100. |
| Consorcio Red Uno, S.A. de C.V. | Design & integrated telecom. Services | 279,634,377 | 100. |
| Construcciones y Canalizaciones, S.A. de C.V. | Construction & maint. of telephone network | 28,369,000 | 100. |
| Empresa de Limpieza Mexicana, S.A. de C.V. | Cleaning Service Company | 50 | 100. |
| Fintel Holdings, L.L.C. | Investments in all types of businesses | 1,490 | 100. |
| Fuerza y Clima, S.A. de C.V. | Air conditioning installation & maint. | 4,925,000 | 100. |
| Grupo Técnico de Administración, S.A. de C.V. | Management, consulting & org. Services | 50,000 | 100. |
| Impulsora Mexicana de Telecomunicaciones, S.A. | Network projects | 4,602,225 | 100. |
| Instituto Tecnológico de Teléfonos de México, S.C | Training & research services | 1,000 | 100. |
| Multicomunicación Integral, S.A. de C.V. | Trunking, installation & sales services | 665,759 | 100. |
| Operadora Mercantil, S.A. de C.V. | Marketing services | 50,000 | 100. |
| Renta de Equipo, S.A. de C.V. | Equipment, vehicles & real estate leasing | 15,377,595,000 | 100. |
| Servicios Administrativos Tecmarketing, S.A. de C.V. | Software development, sales & management | 60,687,728 | 100. |
| Tecmarketing, S.A. de C.V. | Telemarketing services | 6,850,000 | 100. |
| Telecomunicaciones Controladora de Servicios, S.A. de C.V. | Investments in all types of businesses | 138,839 | 100. |
| Teleconstructora, S.A. de C.V. | Construction & maint. of telephone network | 19,400,000 | 100. |
| Teléfonos del Noroeste, S.A. de C.V. | Telecommunication services | 110,000,000 | 100. |
| Telmex Holdings, Inc. | Telecommunication services | 1,000 | 100. |
| Teninver, S.A. de C.V. | Investments in all types of businesses | 120,296,722 | 100. |
| Uninet, S.A. de C.V. | Data transmission services | 65,837,647 | 100. |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 3b

SHARE INVESTMENTS AFFILATES

| COMPANY NAME | MAIN ACTIVITIES | NUMBER OF SHARES | OWNERSHIP % | TOTAL AMOUNT (Thousands of Mexican Pesos) | |
|--|------------------------------------|---------------------|----------------|---|------------------|
| | | | | ACQUISITION COST | PRESENT VALUE |
| Grupo Telvista, S.A. de C.V. | Telemarketing in Mexico and USA | 510,138,000 | 45.00 | 510,138 | 834,620 |
| Centro Histórico de la Ciudad de México, SA de CV | Real estate services | 16,004,000 | 12.79 | 80,020 | 103,914 |
| 2Wire, Inc. | Broadband Services | 8,619,242 | 13.00 | 648,400 | 240,941 |
| TM and MS, L.L.C. | Internet portal (Prodigy MSN) | 1 | 50.00 | 29,621 | 159,865 |
| Eidon Software, S.A. de C.V. | Software development | 76,629,615 | 49.00 | 155,737 | 150,943 |
| TOTAL INVESTMENT IN ASSOCIATES | | | | 1,423,916 | 1,490,283 |
| OTHER PERMANENT INVESTMENTS | | | | | 124,589 |
| T O T A L | | | | 1,423,916 | 1,614,872 |

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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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| Type / Description | Foreign Institution | Signature date | Amortization Date | Interest Rate | Amortization of Credits Denominated in Pesos | | | | | | Amortization of Credits in Foreign Currency | | | | |
|-----------------------|------------------------|-------------------|----------------------|------------------|--|------------------|-----------------|-----------------|-----------------|-----------------------------|---|------------------|------------------|-------------------|------------------|
| | | | | | Time Interval | | | | | | Time Interval | | | | |
| | | | | | Current Year | Until 1 Year | Until 2 Year | Until 3 Year | Until 4 Year | Until 5 Years or more | Current Year | Until 1 Year | Until 2 Year | Until 3 Year | Until 4 Year |
| ASSETS | | | | | | | | | | | | | | | |
| INVESTMENT | Y | 16/03/2006 | 22/01/2014 | 1.45 | 0 | 0 | 0 | 0 | 0 | 0 | 75,434 | 92,246 | 184,492 | 164,029 | 143,566 |
| BANK (1) | Y | 27/03/2003 | 10/10/2009 | 1.99 | 0 | 0 | 0 | 0 | 0 | 0 | 565,824 | 0 | 0 | 0 | 0 |
| TELEPHONE (1) | Y | 15/01/2007 | 10/03/2018 | 1.46 | 0 | 0 | 0 | 0 | 0 | 0 | 418,077 | 418,078 | 836,154 | 836,154 | 836,155 |
| OTHER (3) | Y | 28/02/1986 | 31/03/2022 | 2.00 | 0 | 0 | 0 | 0 | 0 | 0 | 13,708 | 13,708 | 27,417 | 27,416 | 27,417 |
| DEBT | | | | | | | | | | | | | | | |
| LIABILITIES | | | | | | | | | | | | | | | |
| TELCEL, S.A. | N/A | 21/02/2007 | 22/02/2010 | 5.00 | 0 | 1,500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TELCEL, N.A. | Y | 13/06/2008 | 13/06/2014 | 0.95 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TELCEL, S.A. | Y | 12/02/2008 | 18/02/2014 | 0.79 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TELCEL, S.A. (4) | N/A | 26/02/2007 | 26/02/2010 | 5.04 | 0 | 1,300,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TELCEL, S.A. (2) | Y | 30/06/2006 | 30/06/2010 | 0.80 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,300,575 | 0 | 0 | 0 |
| TELCEL, S.A. (2) | Y | 30/06/2006 | 30/06/2012 | 0.85 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,300,575 | 0 |
| TELCEL, N.A. | Y | 11/08/2006 | 20/10/2009 | 0.80 | 0 | 0 | 0 | 0 | 0 | 0 | 17,162,990 | 0 | 0 | 0 | 0 |
| TELCEL, N.A. | Y | 11/08/2006 | 20/10/2011 | 0.85 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13,202,300 | 0 |
| TELCEL, N.A. | Y | 11/08/2006 | 11/08/2013 | 0.92 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,161,073 |
| TELEFONOS SYSTEMS | Y | 25/04/2007 | 19/11/2013 | 4.50 | 0 | 0 | 0 | 0 | 0 | 0 | 92,416 | 92,416 | 184,832 | 184,832 | 132,023 |
| TOTAL BANKS | | | | | 0 | 2,800,000 | 0 | 0 | 0 | 0 | 18,328,449 | 3,917,023 | 1,232,895 | 17,715,306 | 7,300,234 |

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| | | | | | | | | | | | | | | | | |
|---|-----|------------|------------|-------|------------|-----------|---|-----------|---|------------|------------|------------|-----------|------------|-----------|---|
| | | | | | | | | | | | | | | | | |
| NET | | | | | | | | | | | | | | | | |
| STOCK | | | | | | | | | | | | | | | | |
| CHANGE | | | | | | | | | | | | | | | | |
| DEBT | | | | | | | | | | | | | | | | |
| RSAT 2-4(3) | N/A | 31/05/2002 | 31/05/2012 | 10.20 | 0 | 0 | 0 | 300,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RSAT 6(5) | N/A | 21/09/2006 | 15/09/2011 | 5.02 | 0 | 0 | 0 | 500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RSAT 7(3) | N/A | 23/04/2007 | 16/03/2037 | 8.36 | 0 | 0 | 0 | 0 | 0 | 5,000,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| RSAT 7-2(4) | N/A | 23/04/2007 | 16/04/2012 | 4.99 | 0 | 0 | 0 | 4,500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RSAT 8(3) | N/A | 21/04/2008 | 05/04/2018 | 8.27 | 0 | 0 | 0 | 0 | 0 | 1,600,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| OR | Y | 27/01/2005 | 27/01/2015 | 5.50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OR | Y | 27/01/2005 | 27/01/2010 | 4.75 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,542,185 | 0 | 0 | 0 | 0 |
| OR SOS | N/A | 31/01/2006 | 31/01/2016 | 8.75 | 0 | 0 | 0 | 0 | 0 | 4,500,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | | | |
| DEBT | | | | | | | | | | | | | | | | |
| TE | | | | | | | | | | | | | | | | |
| MENTS | | | | | | | | | | | | | | | | |
| ED | | | | | | | | | | | | | | | | |
| DEBT | | | | | | | | | | | | | | | | |
| STOCK | | | | | | | | | | | | | | | | |
| CHANGE | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| ERS | | | | | | | | | | | | | | | | |
| S | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| LONG AND SHORT TERM LOANS WITH COST (S103) AND (S30) | | | | | | | | | | | | | | | | |
| ANS T | N/A | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER LONG AND SHORT TERM LOANS WITH | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (3) AND (S30) | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| CURRENT LIABILITIES WITHOUT COST (S26) | | | | | | | | | | | | | | | | |
| LIABILITIES WITHOUT COST (S26) | | 0 | 0 | 0 | 18,805,653 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER CURRENT LIABILITIES WITHOUT COST | | | | | 18,805,653 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | | | |
| TOTAL | | | | | 18,805,653 | 2,800,000 | 0 | 5,300,000 | 0 | 11,100,000 | 18,328,449 | 16,459,208 | 1,232,895 | 17,715,306 | 7,300,234 | |

Notes:

A.- Interest rates:

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

1. 6 months USD Libor rate plus margin
2. 3 months USD Libor rate plus margin
3. Fixed Rate
4. 28 days TIE rate plus margin
5. 91 days TIE rate plus margin
6. 3 months JPY LIBOR plus margin

B.- The following rates were considered:

- Libor at 6 months in US dollars is equivalent to 1.1113 at June 30, 2009
- Libor at 3 months in US dollars is equivalent to 0.5950 at June 30, 2009
- TIE at 28 days is equivalent to 5.0850 at June 30, 2009
- TIE at 91 days is equivalent to 5.0400 at June 30, 2009
- Libor at 3 months in JPY is equivalent to 0.4550 at June 30, 2009

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, 2009 were as follows:

| CURRENCY | AMOUNT | E.R. |
|--------------------|------------|---------|
| DOLLAR (USD) | 5,960,600 | 13.2023 |
| EURO (EUR) | 13,462 | 18.5202 |
| JAPANESE YEN (JPY) | 19,891,200 | 0.1369 |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 6

FOREIGN EXCHANGE MONETARY POSITION

(Thousands of Mexican Pesos)

Consolidated

Final printing

| FOREIGN CURRENCY POSITION | DOLLARS | | OTHER CURRENCIES | | TOTAL |
|---------------------------|-------------|--------------|------------------|-------------|--------------|
| | THOUSAND | THOUSAND | THOUSAND | THOUSAND | THOUSAND |
| | DOLLARS | PESOS | DOLLARS | PESOS | PESOS |
| MONETARY ASSETS | 134,377 | 1,774,087 | 0 | 0 | 1,774,087 |
| LIABILITIES | 6,092,444 | 80,434,276 | 225,144 | 2,972,424 | 83,406,700 |
| SHORT-TERM LIABILITIES | 2,764,736 | 36,500,882 | 2,076 | 27,410 | 36,528,292 |
| LONG-TERM LIABILITIES | 3,327,708 | 43,933,394 | 223,068 | 2,945,014 | 46,878,408 |
| NET BALANCE | (5,958,067) | (78,660,189) | (225,144) | (2,972,424) | (81,632,613) |

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) | 13.2023 |
| EURO | 18.5202 |
| JAPANESE YEN | 0.1369 |

MEXICAN STOCK EXCHANGEIndex**SIFIC/ICS****STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009****TELÉFONOS DE MÉXICO, S.A.B. DE C.V.****ANNEX 7****CALCULATION AND RESULT FROM MONETARY POSITION**

(Thousands of Mexican Pesos)

| MONTH | MONETARY ASSETS | MONETARY LIABILITIES | (ASSETS) LIABILITIES MONETARY POSITION | MONTHLY INFLATION | MONTHLY EFFECT (ASSET) LIABILITIES |
|--|--------------------|-------------------------|---|----------------------|---|
| | | | | | |
| JANUARY | 0 | 0 | 0 | 0.00 | 0 |
| FEBRUARY | 0 | 0 | 0 | 0.00 | 0 |
| MARCH | 0 | 0 | 0 | 0.00 | 0 |
| RESTATEMENT | 0 | 0 | 0 | 0.00 | 0 |
| CAPITALIZATION | 0 | 0 | 0 | 0.00 | 0 |
| FOREIGN CORP. | 0 | 0 | 0 | 0.00 | 0 |
| OTHER | 0 | 0 | 0 | 0.00 | 0 |
| TOTAL | | | | | 0 |
| FIGURES FOR INFORMATION PURPOSES: | | | | | |
| CAPITALIZED MONETARY GAIN | | | | | |

Notes:

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 8

DEBT INSTRUMENTS

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's 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, 2009, the Company has complied with such restrictive covenants.

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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 | | | |

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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 | | | | | |

MEXICAN STOCK EXCHANGEIndex**SIFIC/ICS****STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009****TELÉFONOS DE MÉXICO, S.A.B. DE C.V.****ANNEX 11a****SALES DISTRIBUTION BY PRODUCT****SALES**

(Thousands of Mexican Pesos)

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| MAIN PRODUCTS | NET SALES | | MARKET PART. (%) | MAIN | |
|-----------------------|------------------|---------------|-------------------------|-------------------|------------------|
| | VOLUME | AMOUNT | | TRADEMARKS | CUSTOMERS |
| DOMESTIC SALES | | | | | |
| LOCAL SERVICE | 0 | 22,978,116 | 0.0 | | |
| LONG DISTANCE SERVICE | 0 | 9,095,501 | 0.0 | | |
| INTERCONNECTION | 0 | 8,397,664 | 0.0 | | |
| CORPORATE NETWORKS | 0 | 6,613,430 | 0.0 | | |
| INTERNET | 0 | 7,721,724 | 0.0 | | |
| OTHERS | 0 | 2,788,872 | 0.0 | | |
| FOREIGN SALES | | | | | |

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| | | | | | |
|-----------------------|---|-------------------|---|--|--|
| NET SETTLEMENT | 0 | 1,478,426 | 0 | | |
| LONG DISTANCE SERVICE | 0 | 372,574 | 0 | | |
| INTERNET | 0 | 137,968 | 0 | | |
| OTHERS | 0 | 225,495 | 0 | | |
| TOTAL | | 59,809,770 | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

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 | 1,478,426 | | | |
| CORPORATE NETWORKS | 0 | 98,734 | | | |
| OTHERS | 0 | 297 | | | |
| FOREIGN SUBSIDIARIES | | | | | |
| LONG DISTANCE SERVICE | 0 | 372,574 | | | |
| INTERNET | 0 | 39,234 | | | |
| OTHERS | 0 | 225,198 | | | |
| TOTAL | | 2,214,463 | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

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 (Thousand pesos) | |
|---|------------------|-----------------|-----------------------|---------------------|----------------------|------------------------|-----------------------------------|----------|
| | | | FIXED PORTION | VARIABLE PORTION | MEXICAN | PUBLIC SUSSCRIPTION | FIXED | VARIABLE |
| A | 0.0043 | 0 | 401,691,047 | 0 | 0 | 401,691,047 | 1,734 | 0 |
| AA | 0.0043 | 0 | 8,114,596,082 | 0 | 8,114,596,082 | 0 | 35,035 | 0 |
| L | 0.0043 | 0 | 9,886,990,231 | 0 | 0 | 9,886,990,231 | 42,688 | 0 |
| TOTAL | | | 18,403,277,360 | 0 | 8,114,596,082 | 10,288,681,278 | 79,457 | 0 |
| TOTAL NUMBER OF SHARES REPRESENTING CAPITAL STOCK ON THE REPORTING DATE OF THE INFORMATION: | | | | | | | 18,403,277,360 | |
| NOTES: | | | | | | | | |
| The nominal value per share is \$0.0043175625 MXN | | | | | | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 13

PROJECT INFORMATION

(Thousands of Mexican Pesos)

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| ITEM | Thousand of Mexican Pesos | | | | |
|---------------------------------------|----------------------------|-----------------|---------------------|------------------|-----------------|
| | 2nd. Quarter 09 Apr-Jun | % of Advance | Amount used 2009 | Budget 2009 | % of Advance |
| | | | | | |
| DATA | 915,755 | 23.9 | 2,691,902 | 3,826,413 | 70.4 |
| INTERNAL PLANT | 111,898 | 31.7 | 318,643 | 352,963 | 90.3 |
| NETWORKS | 189,206 | 36.4 | 341,444 | 519,920 | 65.7 |
| TRANSMISSION NETWORK | 429,641 | 23.1 | 1,227,010 | 1,861,949 | 65.9 |
| SYSTEMS | 12,031 | 6.2 | 60,830 | 194,076 | 31.3 |
| OTHERS | 579,679 | 47.6 | 790,009 | 1,218,385 | 64.8 |
| TELMEX USA | 1,226 | 4.7 | 3,245 | 26,294 | 12.3 |
| | | | | | |
| TOTAL INVESTMENT TELMEX MEXICO | 2,239,436 | 28.0 | 5,433,083 | 8,000,000 | 67.9 |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 14

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

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Exchange rate variations

Transactions in foreign currencies are recorded at the exchange rate applicable at the time of its occurrence. The assets and liabilities in foreign currencies are valued at the exchange rate of the balance sheet date. The exchange rate differences between the execution date and the payment date, as well as those arising from the conversion of balances denominated in foreign currencies at the date of the financial statements, are applied to results.

Translation of financial statements of foreign companies

The financial statements of subsidiaries and associated companies located abroad are consolidated or the method of participation is recognized, as appropriate, after the financial statements are translated into the Mexican financial reporting standards in the relevant local currency, and conversion to the report currency. The conversion of monetary assets and liabilities in the financial statements of our associate and subsidiary, were translated into Mexican pesos at the exchange rate prevailing at year-end, stockholders' equity accounts at the exchange rate prevailing on the date the capital contributions were made and profits were generated; revenues, costs and expenses to the historical exchange rate and the difference resulting from the conversion process is recognized in the "Effect of conversion of foreign entities" which is included in the stockholders' equity, "other items of income earned" section.

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

COMPLIANCE WITH THE REQUIREMENT ISSUED BY THE COMISION BANCARIA Y DE VALORES (BANKING AND SECURITIES COMMISSION OF MEXICO)

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Derivative Instruments

As of June 30, 2009, Teléfonos de México, S.A.B. de C.V. (the "Company") had cross currency swap agreements in the equivalent of U.S.\$4,666 million, 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 U.S.\$1,495 million and bank loans with maturity from 2009 to 2018 for a total amount of U.S.\$3,171 million. These hedges allowed us to fix the exchange rate of our debt on a weighted average exchange rate of \$10.6613 Mexican pesos per US dollar, as well as to set a fixed rate with a range between 7.52% and 8.57% and for other cases, an average interest rate of 28-day THIE less 23 basis points.

During the second quarter, the Company entered into forward agreements for U.S.\$685 million at a weighted average exchange rate of \$13.6666 per dollar. These agreements hedge bank loans with maturities until October 2009.

Additionally, the Company had interest rate swaps in Mexican pesos for Ps.\$23,752 million to hedge the floating rate risk in local currency fixing it at an average of 8.19%, as well as interest rate swap agreements in U.S. dollars for U.S.\$100 million to hedge our floating rate U.S. dollar debt, fixing it at 4.47%.

These transactions have been carried out based on the Company's policies, strategies and guidelines that are explained below.

I. Qualitative and quantitative Information

i. Policies for using of derivative instruments

Objective to enter into derivative transactions and selected instruments

With the purpose of reducing the risks related to the variations of exchange rate and interest rate, the Company uses derivative instruments connecting the hedges to the contracted debt. The derivative instruments that have been selected are mainly:

1. instruments for purchasing US dollars at a specified future time (forwards);
2. instruments that involve the exchange of principal and interest from one currency to another (cross currency swaps); and
3. instruments to fix the floating interest rates of the debt (interest rate swaps).

Hedge strategies

When the market conditions are favorable, the Company's Management determines the amounts and objective parameters to be considered in the hedging agreements. This strategy seeks to reduce the risk exposure of abnormal fluctuations in the market of the main variables that affect our debt, including exchange rate and interest rate, maintaining a solid and healthy financial structure.

These strategies of hedging financial risks are included in the Corporate Governance Guidelines adopted by the Company, and its application is authorized by the Audit Committee.

Trading markets and eligible counterparts

The financial institutions and counterparts with which the Company enters into such derivative instruments are considered to have a proven reputation and solvency in the market, which allows us to balance our risk positions with the counterparts. Also, the Company only uses derivative instruments that are of common use in the markets, and therefore, can be quoted by two or more financial institutions to assure the best conditions in the negotiation.

Policies for the appointment of calculation and valuation agents

Given that the Company uses derivative instruments of common use in the market, it appoints a third party that is responsible to provide the market price of such instruments. These prices are compared by the Company with the ones provided by the financial intermediaries, also, in certain transactions the counterpart is able to act as valuation agent under the applicable documentation, when it is a financial institution with a proven reputation.

Main terms and conditions of the agreements

It is a policy of the Company that the amount, date and interest rate conditions of the debt to be hedged, if possible, have to coincide with the terms of the hedges, that is usual for this type of transactions in the different markets where it operates. All the transactions with derivative instruments are made under the ISDA Master Agreement (International Swap Dealers Association) standardized and duly executed by the legal representatives of the Company and the financial institutions, and in the case of counterparts in México, pursuant to the uses and practices of the market in our country.

Margin policies, collaterals and lines of credit

In some cases, the Company has entered into an accessory agreement to the ISDA Master Agreement with the financial institutions, the Credit Support Annex, which sets forth an obligation to grant collaterals for margin calls in case the mark-to market value exceeds certain established credit limits (threshold amount). The Company has the policy to keep a close watch of the volume of the transactions entered with each financial institution in order to avoid, if possible, any margin call.

Processes of levels of authorization required by type of negotiation

The strategy for hedging financial risks is discussed and approved by the Audit Committee. Subsequently, the Board of Directors is informed for its knowledge and ratification. The Treasury is in charge of its implementation and is supervised by the Company's Chief Financial Officer.

Existence of a independent third party that reviews such processes

Both, the fulfillment of the Corporate Governance Guidelines and the measurement of effectiveness of the derivative instruments, to comply with the international financial reporting standards, are discussed with the external auditors that validate the correct accounting application of the effect of such instruments in the income statement and the balance sheet.

ii. Generic description of the valuation techniques

As previously stated, derivative instruments are carried out by the Company only for hedging purposes. The measurement of the effectiveness of the hedges is made in a prospective and retrospective manner. For the prospective valuation, we use statistic techniques that allow us to measure in what proportion the change in the value of the hedged debt (primary position) is compensated by the change in the value of the derivative instrument. The retrospective valuation is made by comparing the historic results of the debt flows with the flows of the respective hedges.

iii. Internal and external liquidity sources to meet the requirements related to derivative instruments

It is estimated that the Company's cash generation has been enough to service debt and the established derivative instruments to hedge the risks associated with such debt.

iv. Changes in the exposure to the main identified risks and its management

The identified risks are those related to the variations of the exchange rate and interest rate. Given the direct relationship between the hedged debt and the derivative instruments and that they do not have any variables that could affect or terminate the hedge in advance, the Company does not foresee any risk that such hedges could differ from the original purpose for which the hedges were established.

In the second quarter of 2009, it was recognized in the statements of income a net charge of Ps.5,373 million for the exchange rate hedges and an accrued net charge as of June of Ps.1,205 million. Furthermore, it was recognized in the statements of income a net charge of Ps.338 million and an accrued net charge as of June of Ps.1,213 million for interest rate hedges.

In this second quarter, there have not been any margin calls.

To date, there has not been any breach in the terms and conditions of the respective agreements.

v. Quantitative information

See TABLE 1 attached.

II. SENSITIVITY ANALYSIS

In the case of the Company, the sensitivity analysis does not apply for the derivative instruments, since they are only carried out for hedging purposes.

| Derivative Instruments Summary | | | | | | | | | |
|--|---|-----------------|------------------|--|----------------------|------------------|------------------|---------------------------|--------------------------------|
| Figures in thousands of Mexican pesos and US dollars | | | | | | | | | |
| Type of Derivative | Purpose of Hedging, Negotiation or Others | Notional Amount | | Value of the Underlying Asset Variable of Reference | | Reasonable Value | | Maturity Amounts per year | Collateral/Lines of Credit (*) |
| | | Current Quarter | Previous Quarter | Current Quarter | Previous Quarter | Current Quarter | Previous Quarter | | |
| Exchange Rate Hedges (principal and interests) | | | | | | | | | |
| | | USD | USD | TIE | TIE | MXN | MXN | | |
| Cross Currency Swap | Hedging | 4,460,168 | 4,460,168 | 5.0850 | 7.1500 | 13,059,462 | 17,382,399 | (1) | |
| | | | | <u>EXCHANGE RATE</u> | <u>EXCHANGE RATE</u> | | | | |
| | | | | 13.2023 | 14.3317 | | | | |
| Subtotal | | 4,460,168 | 4,460,168 | | | 13,059,462 | 17,382,399 | | |
| | | USD | USD | <u>EXCHANGE RATE</u> | <u>EXCHANGE RATE</u> | | | | |
| Forwards | Hedging | 685,000 | - | 13.2023 | 14.3317 | (182,729) | - | (2) | |
| Total | | 5,145,168 | 4,460,168 | | | 12,876,733 | 17,382,399 | | |
| | | YEN | YEN | TIE | TIE | | | | |
| Cross Currency Swap | Hedging | 19,891,200 | 19,891,200 | 5.0850 | 7.1500 | 757,702 | 859,385 | (3) | |
| | | | | <u>EXCHANGE RATE</u> | <u>EXCHANGE RATE</u> | | | | |
| | | | | 0.1369 | 0.1446 | | | | |

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| Exchange Rate Hedges | | | | | | | | | |
|-------------------------------------|---------|------------|------------|--------------------------|--------------------------|--------------|-------------------|-------------------|--|
| (interests only) | | | | | | | | | |
| | | USD | USD | TIIE | TIIE | | | | |
| Cross Currency Coupon Swap | Hedging | 350,000 | 350,000 | 5.0850 | 7.1500 | (12,568) | (41,442) | (4) | |
| | | | | <u>EXCHANGE RATE</u> | <u>EXCHANGE RATE</u> | | | | |
| | | | | 13.2023 | 14.3317 | | | | |
| Interest Rate Hedges | | | | | | | | | |
| (floating rate to fixed rate) | | | | | | | | | |
| | | MXN | MXN | TIIE | TIIE | MXN | MXN | | |
| Interest Rate Swap | Hedging | 23,752,125 | 23,752,125 | 5.0850 | 7.1500 | (899,354) | (1,123,395) | (5) | |
| | | USD | USD | LIBOR | LIBOR | | | | |
| Interest Rate Swap | Hedging | 100,000 | 100,000 | 0.6563 | 1.1919 | (12,032) | (22,757) | (6) | |
| | | | | | | TOTAL | 12,710,482 | 17,054,190 | |

(*) Of our hedge agreements, 56.4% of the total hedged amount include margin calls when the market value exceeds the amounts of the lines of credit that we have for the amount of USD\$290 million.

(1) These swaps hedge the debt position in US dollars, with the obligation of paying floating rate in Mexican pesos at an average of TIIE less a margin and with an average life of 5 years.

(2) This forward position mainly hedges debt position in US dollars with maturity in October 2009.

(3) These swaps hedge debt position in Yens, with the obligation of paying in Mexican pesos \$2,000 million (equivalent to USD\$206 million) at a floating rate and mature in February 2014.

(4) These swaps hedge the interest payment of debt in US dollars, with the obligation of paying floating rate in Mexican pesos at an average of TIIE less a margin and with maturities up to 2010.

(5) These agreements hedge debt position in Mexican pesos at a floating rate, fixing it at an average of 8.19% and with an average life of 7 years.

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(6) These agreements hedge debt position in US dollars at a floating rate, fixing it at an average of 4.47% and mature in August 2009.

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

GENERAL INFORMATION

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ISSUER GENERAL INFORMATION

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

ISSUER FISCAL INFORMATION

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

OFFICERS INFORMATION

| | |
|---------------|-----------------------|
| POSITION BMV: | CHAIRMAN OF THE BOARD |
|---------------|-----------------------|

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| | |
|------------|--|
| POSITION: | CHAIRMAN OF THE BOARD |
| NAME: | ING. JAIME CHICO PARDO |
| ADDRESS: | AV. PASEO DE LAS PALMAS No. 750 - 7 TH . FLOOR, COL. LOMAS DE CHAPULTEPEC |
| ZIP: | 11000 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 56 26 37 04 |
| FAX: | 52 82 82 |
| E-MAIL: | jchico@telmex.com |

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

| | |
|---------------|--|
| POSITION BMV: | CHIEF FINANCIAL OFFICER |
| POSITION: | CHIEF FINANCIAL OFFICER |
| NAME: | ING. ADOLFO CEREZO PEREZ |
| ADDRESS: | PARQUE VIA 190 - 10 TH . FLOOR OFFICE 1016, COL. CUAUHTEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 57 80 |
| FAX: | 52 55 15 76 |
| E-MAIL: | acerezo@telmex.com |

| | |
|---------------|--|
| POSITION BMV: | DISTRIBUTION OF CORPORATE INFORMATION DELEGATE |
| POSITION: | COMPROLLER |

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

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

| | |
|---------------|---|
| POSITION BMV: | IN-HOUSE LEGAL COUNSEL |
| POSITION: | LEGAL DIRECTOR |
| NAME: | LIC. SERGIO F. MEDINA NORIEGA |
| ADDRESS: | PARQUE VIA 190 - 2 ND . FLOOR OFFICE 202, COL. CUAUHEMOC |
| 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: | COMPROLLER |
| NAME: | LIC. ROLANDO REYNIER VALDES |

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| | |
|------------|---|
| ADDRESS: | PARQUE VIA 198 - 5 TH . FLOOR OFFICE 502, COL. CUAUHEMOC |
| 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 ND . FLOOR OFFICE 202, COL. CUAUHEMOC |
| 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 MANAGER |
| NAME: | LIC. ANNA DOMINGUEZ GONZALEZ |
| ADDRESS: | PARQUE VIA 198 - 7 TH . FLOOR OFFICE 701, COL. CUAUHEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 57 03 39 90 |
| FAX: | 55 45 55 50 |
| E-MAIL: | ri@telmex.com |

| | |
|---------------|---|
| POSITION BMV: | SECRETARY OF THE BOARD OF DIRECTORS |
| POSITION: | LEGAL DIRECTOR |
| NAME: | LIC. SERGIO F. MEDINA NORIEGA |
| ADDRESS: | PARQUE VIA 190 - 2 ND . FLOOR OFFICE 202, COL. CUAUHEMOC |

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

| | |
|---------------|---|
| POSITION BMV: | PAYMENT RESPONSIBLE |
| POSITION: | COMPROLLER |
| NAME: | LIC. ROLANDO REYNIER VALDES |
| ADDRESS: | PARQUE VIA 198 - 5 TH . FLOOR OFFICE 502, COL. CUAUHEMOC |
| ZIP: | 06599 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 52 22 92 92 |
| FAX: | 57 05 62 31 |
| E-MAIL: | rreynier@telmex.com |

MEXICAN STOCK EXCHANGE

Index

SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 2 YEAR: 2009

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

BOARD OF DIRECTORS

Consolidated

Final printing

| POSITION | NAME | | | |
|--------------------------------|------|--------------|-------|-------|
| CHAIRMAN OF THE BOARD | LIC. | CARLOS | SLIM | DOMIT |
| CO-CHAIRMAN | ING. | JAIME | CHICO | PARDO |
| VICE CHAIRMAN (INDEPENDENT) | C.P. | JUAN ANTONIO | PEREZ | SIMON |
| BOARD PROPIETORS (INDEPENDENT) | ING. | ANTONIO | COSIO | ARIÑO |

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|--------------------------------|------|---------------|----------|----------|
| BOARD PROPIETORS (INDEPENDENT) | DRA. | AMPARO | ESPINOSA | RUGARCIA |
| BOARD PROPIETORS (INDEPENDENT) | ING. | ELMER | FRANCO | MACIAS |
| BOARD PROPIETORS (INDEPENDENT) | LIC. | ANGEL | LOSADA | MORENO |
| BOARD PROPIETORS (INDEPENDENT) | LIC. | JOSE | KURI | HARFUSH |
| BOARD PROPIETORS | LIC. | MARCO ANTONIO | SLIM | DOMIT |
| BOARD PROPIETORS (INDEPENDENT) | SR. | MICHAEL | J. | VIOLA |
| BOARD PROPIETORS | LIC. | HECTOR | SLIM | SEADE |
| BOARD PROPIETORS (INDEPENDENT) | SR. | LARRY | I. | BOYLE |
| BOARD PROPIETORS (INDEPENDENT) | C.P. | RAFAEL | KALACH | MIZRAHI |
| BOARD PROPIETORS (INDEPENDENT) | LIC | RICARDO | MARTIN | BRINGAS |

| | | | | |
|--------------------------------|------|---------------|------------------|-------------|
| BOARD ALTERNATES | LIC. | PATRICK | SLIM | DOMIT |
| BOARD ALTERNATES | C.P. | JOSÉ HUMBERTO | GUTIERREZ-OLVERA | ZUBIZARRETA |
| BOARD ALTERNATES (INDEPENDENT) | LIC. | JORGE C. | ESTEVE | RECOLONS |
| BOARD ALTERNATES (INDEPENDENT) | ING. | ANTONIO | COSIO | PANDO |
| BOARD ALTERNATES (INDEPENDENT) | SR. | EDUARDO | TRICIO | HARO |
| BOARD ALTERNATES (INDEPENDENT) | ING. | MARCOS | FRANCO | HENAIZ |
| BOARD ALTERNATES (INDEPENDENT) | LIC. | JAIME | ALVERDE | GOYA |
| BOARD ALTERNATES | LIC. | EDUARDO | VALDES | ACRA |
| BOARD ALTERNATES | SR. | JORGE A. | CHAPA | SALAZAR |

| | | | | |
|-------------------------------------|------|--------|--------|---------|
| SECRETARY OF THE BOARD OF DIRECTORS | LIC. | SERGIO | MEDINA | NORIEGA |
|-------------------------------------|------|--------|--------|---------|

| | | | | |
|---------------------|------|--------|--------|-------|
| ASSISTANT SECRETARY | LIC. | RAFAEL | ROBLES | MIAJA |
|---------------------|------|--------|--------|-------|

SIGNATURE

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

Date: **July 22, 2009.**

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 2009.**