

TELEFONOS DE MEXICO S A B DE C V
Form 6-K
October 26, 2010
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 **October 2010**

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: 3 YEAR: 2010

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-01

CONSOLIDATED BALANCE SHEETS

AT SEPTEMBER 30, 2010 & 2009

(Thousands of Mexican Pesos)

Final printing

| REF | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|-----|--|--------------------|-----|---------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| s01 | TOTAL ASSETS | 168,120,087 | 100 | 180,097,554 | 100 |
| s02 | CURRENT ASSETS | 48,286,753 | 29 | 49,562,249 | 28 |
| s03 | CASH AND SHORT-TERM INVESTMENTS | 12,048,712 | 7 | 7,827,247 | 4 |
| s04 | ACCOUNTS AND NOTES RECEIVABLE (NET) | 18,357,361 | 11 | 18,782,464 | 10 |
| s05 | OTHER ACCOUNTS AND NOTES RECEIVABLE (NET) | 3,787,845 | 2 | 3,846,839 | 2 |
| s06 | INVENTORIES | 1,464,862 | 1 | 1,371,207 | 1 |
| s07 | OTHER CURRENT ASSETS | 12,627,973 | 8 | 17,734,492 | 10 |
| s08 | LONG - TERM | 1,790,774 | 1 | 1,702,200 | 1 |
| s09 | ACCOUNTS AND NOTES RECEIVABLE (NET) | 0 | 0 | 0 | 0 |
| s10 | INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES | 1,666,984 | 1 | 1,577,599 | 1 |
| s11 | OTHER INVESTMENTS | 123,790 | 0 | 124,601 | 0 |
| s12 | PROPERTY, PLANT AND EQUIPMENT (NET) | 97,963,910 | 58 | 107,217,471 | 60 |
| s13 | LAND AND BUILDINGS | 0 | 0 | 0 | 0 |
| s14 | MACHINERY AND INDUSTRIAL EQUIPMENT | 407,003,832 | 242 | 403,347,280 | 224 |

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| | | | | | |
|------------|---|--------------------|------------|--------------------|------------|
| s15 | OTHER EQUIPMENT | 0 | 0 | 0 | 0 |
| s16 | ACCUMULATED DEPRECIATION | 309,523,512 | 184 | 297,011,064 | 165 |
| s17 | CONSTRUCTIONS IN PROGRESS | 483,590 | 0 | 881,255 | 0 |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 2,498,520 | 1 | 2,421,843 | 1 |
| s19 | OTHER ASSETS | 17,580,130 | 10 | 19,193,791 | 11 |
| | | | | | |
| s20 | TOTAL LIABILITIES | 124,116,541 | 100 | 136,157,511 | 100 |
| | | | | | |
| s21 | CURRENT LIABILITIES | 29,960,249 | 24 | 43,951,766 | 32 |
| s22 | SUPPLIERS | 0 | 0 | 0 | 0 |
| s23 | BANK LOANS | 1,289,478 | 1 | 8,017,083 | 6 |
| s24 | STOCK MARKET LOANS | 4,500,000 | 4 | 15,328,990 | 11 |
| s103 | OTHER LOANS WITH COST | 0 | 0 | 0 | 0 |
| s25 | TAXES PAYABLE | 1,987,958 | 2 | 1,937,718 | 1 |
| s26 | OTHER CURRENT LIABILITIES | 22,182,813 | 18 | 18,667,975 | 14 |
| s27 | LONG - TERM LIABILITIES | 75,500,424 | 61 | 72,039,391 | 53 |
| s28 | BANK LOANS | 33,368,996 | 27 | 36,857,638 | 27 |
| s29 | STOCK MARKET LOANS | 42,131,428 | 34 | 35,181,753 | 26 |
| s30 | OTHER LOANS WITH COST | 0 | 0 | 0 | 0 |
| s31 | DEFERRED LIABILITIES | 632,232 | 1 | 360,684 | 0 |
| s32 | OTHER NON CURRENT LIABILITIES | 18,023,636 | 15 | 19,805,670 | 15 |
| | | | | | |
| s33 | CONSOLIDATED STOCKHOLDERS' EQUITY | 44,003,546 | 100 | 43,940,043 | 100 |
| | | | | | |
| s34 | NON-CONTROLLING INTEREST | 301,967 | 1 | 42,136 | 0 |
| s35 | CONTROLLING INTEREST | 43,701,579 | 99 | 43,897,907 | 100 |
| s36 | CONTRIBUTED CAPITAL | 9,019,971 | 20 | 9,050,320 | 21 |
| s79 | CAPITAL STOCK (NOMINAL) | 9,019,971 | 20 | 9,050,320 | 21 |
| s39 | PREMIUM ON SALES OF SHARES | 0 | 0 | 0 | 0 |
| s40 | CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 | 0 | 0 |
| s41 | CAPITAL INCREASE (DECREASE) | 34,681,608 | 79 | 34,847,587 | 79 |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVE | 33,721,037 | 77 | 33,771,813 | 77 |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | 960,571 | 2 | 1,075,774 | 2 |
| s80 | SHARES REPURCHASED | 0 | 0 | 0 | 0 |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

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 | 12,048,712 | 100 | 7,827,247 | 100 |
| s46 | CASH | 1,122,753 | 9 | 1,081,946 | 14 |
| s47 | AVAILABLE INVESTMENTS | 10,925,959 | 91 | 6,745,301 | 86 |
| | | | | | |
| s07 | OTHER CURRENT ASSETS | 12,627,973 | 100 | 17,734,492 | 100 |
| s81 | DERIVATIVE FINANCIAL INSTRUMENTS | 9,241,115 | 73 | 14,148,249 | 80 |
| s82 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s83 | OTHER | 3,386,858 | 27 | 3,586,243 | 20 |
| | | | | | |
| s18 | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 2,498,520 | 100 | 2,421,843 | 100 |
| s48 | AMORTIZED OR REDEEMED EXPENSES | 1,154,707 | 46 | 1,485,884 | 61 |
| s49 | GOODWILL | 118,688 | 5 | 0 | 0 |
| s51 | OTHERS | 1,225,125 | 49 | 935,959 | 39 |
| | | | | | |
| s19 | OTHER ASSETS | 17,580,130 | 100 | 19,193,791 | 100 |
| s85 | DERIVATIVE FINANCIAL INSTRUMENTS | 0 | 0 | 0 | 0 |
| s50 | DEFERRED TAXES | 0 | 0 | 0 | 0 |
| s104 | BENEFITS FOR EMPLOYEES | 15,613,430 | 89 | 17,301,225 | 90 |
| s86 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |

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| | | | | | |
|------|--|-------------------|------------|-------------------|------------|
| s87 | OTHER | 1,966,700 | 11 | 1,892,566 | 10 |
| s21 | CURRENT LIABILITIES | 29,960,249 | 100 | 43,951,766 | 100 |
| s52 | FOREIGN CURRENCY LIABILITIES | 2,865,868 | 10 | 19,432,337 | 44 |
| s53 | MEXICAN PESOS LIABILITIES | 27,094,381 | 90 | 24,519,429 | 56 |
| s26 | OTHER CURRENT LIABILITIES | 22,182,813 | 100 | 18,667,975 | 100 |
| s88 | DERIVATIVE FINANCIAL INSTRUMENTS | 2,123,661 | 10 | 772,380 | 4 |
| s89 | INTEREST LIABILITIES | 644,265 | 3 | 670,735 | 4 |
| s68 | PROVISIONS | 0 | 0 | 0 | 0 |
| s90 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s58 | OTHER CURRENT LIABILITIES | 10,639,479 | 48 | 8,678,749 | 46 |
| s105 | BENEFITS FOR EMPLOYEES | 8,775,408 | 40 | 8,546,111 | 46 |
| s27 | LONG-TERM LIABILITIES | 75,500,424 | 100 | 72,039,391 | 100 |
| s59 | FOREIGN CURRENCY LIABILITIES | 49,600,424 | 66 | 47,639,391 | 66 |
| s60 | MEXICAN PESOS LIABILITIES | 25,900,000 | 34 | 24,400,000 | 34 |
| s31 | DEFERRED LIABILITIES | 632,232 | 100 | 360,684 | 100 |
| s65 | GOODWILL | 0 | 0 | 0 | 0 |
| s67 | OTHERS | 632,232 | 100 | 360,684 | 100 |
| s32 | OTHER NON CURRENT LIABILITIES | 18,023,636 | 100 | 19,805,670 | 100 |
| s66 | DEFERRED TAXES | 14,398,726 | 80 | 15,417,159 | 78 |
| s91 | OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE | 3,624,910 | 20 | 4,388,511 | 22 |
| s92 | DISCONTINUED OPERATIONS | 0 | 0 | 0 | 0 |
| s69 | OTHER LIABILITIES | 0 | 0 | 0 | 0 |
| s79 | CAPITAL STOCK | 9,019,971 | 100 | 9,050,320 | 100 |
| s37 | CAPITAL STOCK (NOMINAL) | 78,540 | 1 | 78,942 | 1 |
| s38 | RESTATEMENT OF CAPITAL STOCK | 8,941,431 | 99 | 8,971,378 | 99 |
| s42 | RETAINED EARNINGS AND CAPITAL RESERVES | 33,721,037 | 100 | 33,771,813 | 100 |
| s93 | LEGAL RESERVE | 1,880,513 | 6 | 1,880,513 | 6 |
| s43 | RESERVE FOR REPURCHASE OF SHARES | 0 | 0 | 0 | 0 |
| s94 | OTHER RESERVES | 0 | 0 | 0 | 0 |
| s95 | RETAINED EARNINGS | 19,844,868 | 59 | 16,416,870 | 49 |

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| | | | | | |
|------|---|------------|------|------------|------|
| s45 | NET INCOME FOR THE YEAR | 11,995,656 | 36 | 15,474,430 | 46 |
| s44 | OTHER ACCUMULATED COMPREHENSIVE RESULT | 960,571 | 100 | 1,075,774 | 100 |
| s70 | ACCUMULATED MONETARY RESULT | 0 | 0 | 0 | 0 |
| s71 | RESULT FROM HOLDING NON-MONETARY ASSETS | 0 | 0 | 0 | 0 |
| s96 | CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION | 241,644 | 25 | 224,254 | 21 |
| s97 | CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS | 1,214,679 | 126 | 1,314,073 | 122 |
| s98 | CUMULATIVE EFFECT OF DEFERRED INCOME TAXES | (495,752) | (52) | (462,553) | (43) |
| s100 | OTHERS | 0 | 0 | 0 | 0 |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-03

CONSOLIDATED BALANCE SHEETS

- OTHER CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

| REF | CONCEPTS | QUARTER OF PRESENT FINANCIAL YEAR | QUARTER OF PREVIOUS FINANCIAL YEAR |
|-----|-----------------|-----------------------------------|------------------------------------|
| S | | Amount | Amount |
| s72 | WORKING CAPITAL | 18,326,504 | 5,610,483 |

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| | | | |
|------|---|----------------|----------------|
| s73 | PENSIONS FUND AND SENIORITY PREMIUMS | 0 | 0 |
| s74 | EXECUTIVES (*) | 84 | 88 |
| s75 | EMPLOYEES (*) | 9,280 | 9,344 |
| s76 | WORKERS (*) | 42,982 | 43,772 |
| s77 | OUTSTANDING SHARES (*) | 18,190,885,360 | 18,283,861,660 |
| s78 | REPURCHASE OF OWN SHARER(*) | 1,006,900 | 271,191,700 |
| s101 | RESTRICTED CASH | 0 | 0 |
| s102 | DEBT WITH COST OF AFFILIATES NON CONSOLIDATED | 0 | 0 |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-04

CONSOLIDATED STATEMENTS OF INCOME

- FROM JANUARY 01 TO SEPTEMBER 30, 2010 & 2009 -

(Thousands of Mexican Pesos)

Final printing

| REF | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|-----|----------------------------------|--------------------|-----|---------------------|-----|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| R | | Amount | % | Amount | % |
| r01 | OPERATING REVENUES | 85,605,128 | 100 | 89,353,359 | 100 |
| r02 | COST OF SALES AND SERVICES | 47,278,310 | 55 | 47,264,704 | 53 |
| r03 | GROSS INCOME | 38,326,818 | 45 | 42,088,655 | 47 |
| r04 | OPERATING EXPENSES | 16,587,271 | 19 | 15,500,100 | 17 |
| r05 | OPERATING INCOME | 21,739,547 | 25 | 26,588,555 | 30 |
| r08 | OTHER EXPENSES AND INCOMES (NET) | (198,939) | (0) | (1,212,822) | (1) |
| r06 | COMPREHENSIVE FINANCING COST | (3,909,354) | (5) | (3,093,453) | (3) |

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| | | | | | |
|------------|--|-------------------|-----------|-------------------|-----------|
| r12 | EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES, JOINT BUSINESSES AND AFFILIATES | 149,348 | 0 | 162,962 | 0 |
| r48 | NON-ORDINARY ITEMS | 0 | 0 | 0 | 0 |
| r09 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 17,780,602 | 21 | 22,445,242 | 25 |
| r10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 5,804,798 | 7 | 6,969,863 | 8 |
| r11 | NET INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 11,975,804 | 14 | 15,475,379 | 17 |
| r14 | INCOME FROM DISCONTINUED OPERATIONS (NET) | 0 | 0 | 0 | 0 |
| r18 | NET INCOME | 11,975,804 | 14 | 15,475,379 | 17 |
| r19 | NET INCOME OF NON-CONTROLLING INTEREST | (19,852) | 0 | 949 | 0 |
| r20 | NET INCOME OF CONTROLLING INTEREST | 11,995,656 | 14 | 15,474,430 | 17 |
| | | | | | |

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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 | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|-----|----------|--------------------|---|---------------------|---|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| | | | | | |

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| | | | | | |
|-----|--|-------------|-------|-------------|-------|
| r01 | OPERATING REVENUES | 85,605,128 | 100 | 89,353,359 | 100 |
| r21 | DOMESTIC | 83,171,348 | 97 | 86,147,898 | 96 |
| r22 | FOREIGN | 2,433,780 | 3 | 3,205,461 | 4 |
| r23 | TRANSLATION INTO DOLLARS (***) | 191,254 | 0 | 232,226 | 0 |
| | | | | | |
| r08 | OTHER EXPENSES AND INCOMES (NET) | (198,939) | 100 | (1,212,822) | 100 |
| r49 | OTHER EXPENSES AND INCOMES (NET) | 895,320 | (450) | 188,923 | (16) |
| r34 | EMPLOYEE PROFIT SHARING | 1,602,848 | (806) | 1,754,218 | (145) |
| r35 | DEFERRED EMPLOYEE PROFIT SHARING | (508,589) | 256 | (352,473) | 29 |
| | | | | | |
| r06 | COMPREHENSIVE FINANCING COST | (3,909,354) | 100 | (3,093,453) | 100 |
| r24 | INTEREST EXPENSE | 4,721,175 | (121) | 4,696,427 | (152) |
| r42 | LOSS (GAIN) ON RESTATEMENT OF UDI'S | 0 | 0 | 0 | 0 |
| r45 | OTHER FINANCIAL COSTS | 0 | 0 | 0 | 0 |
| r26 | INTEREST INCOME | 403,840 | (10) | 561,840 | (18) |
| r46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| r25 | FOREIGN EXCHANGE LOSS (GAIN) (NET) | 407,981 | (10) | 1,041,134 | (34) |
| r28 | RESULT FROM MONETARY POSITION | 0 | 0 | 0 | 0 |
| | | | | | |
| r10 | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 5,804,798 | 100 | 6,969,863 | 100 |
| r32 | INCOME TAX | 6,486,926 | 112 | 7,675,094 | 110 |
| r33 | DEFERRED INCOME TAX | (682,128) | (12) | (705,231) | (10) |
| | | | | | |

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

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-06

CONSOLIDATED STATEMENTS OF INCOME**- OTHER CONCEPTS -**

(Thousands of Mexican Pesos)

Final printing

| REF | CONCEPTS | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|------------|---|---------------------------|----------------------------|
| R | | FINANCIAL YEAR | FINANCIAL YEAR |
| | | Amount | Amount |
| r36 | TOTAL REVENUES | 85,605,128 | 89,353,359 |
| r37 | TAX RESULT FOR THE YEAR | 0 | 0 |
| r38 | OPERATING REVENUES (**) | 115,351,981 | 120,320,680 |
| r39 | OPERATING INCOME (**) | 29,515,051 | 35,840,484 |
| r40 | NET INCOME OF CONTROLLING INTEREST (**) | 16,989,915 | 18,452,291 |
| r41 | NET INCOME (**) | 16,969,408 | 18,455,051 |
| r47 | OPERATIVE DEPRECIATION AND ACCUMULATED | 12,713,577 | 12,866,922 |
| | | | |
| (**) | INFORMATION OF THE PAST TWELVE MONTHS | | |

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010**TELÉFONOS DE MÉXICO, S.A.B. DE C.V.****FS-07****CONSOLIDATED QUARTERLY STATEMENTS OF INCOME****- FROM JULY 01 TO SEPTEMBER 30, 2010 & 2009 -**

(Thousands of Mexican Pesos)

| REF | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|------|--|--------------------|------------|---------------------|------------|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | % | Amount | % |
| rt01 | OPERATING REVENUES | 28,601,843 | 100 | 29,543,589 | 100 |
| rt02 | COST OF SALES AND SERVICES | 15,801,402 | 55 | 15,754,164 | 53 |
| rt03 | GROSS INCOME | 12,800,441 | 45 | 13,789,425 | 47 |
| rt04 | OPERATING EXPENSES | 5,630,150 | 20 | 5,311,191 | 18 |
| rt05 | OPERATING INCOME | 7,170,291 | 25 | 8,478,234 | 29 |
| rt08 | OTHER EXPENSES AND INCOMES (NET) | (27,488) | (0) | (355,087) | (1) |
| rt06 | COMPREHENSIVE FINANCING COST | (1,498,398) | (5) | (1,289,110) | (4) |
| rt12 | EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES, JOINT BUSINESSES AND AFFILIATES | 74,085 | 0 | 83,253 | (0) |
| rt48 | NON-ORDINARY ITEMS | 0 | 0 | 0 | 0 |
| rt09 | INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING | 5,718,490 | 20 | 6,917,290 | 23 |
| rt10 | PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 1,977,950 | 7 | 2,126,152 | 7 |
| rt11 | NET INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING | 3,740,540 | 13 | 4,791,138 | 16 |
| rt14 | INCOME FROM DISCONTINUED OPERATIONS (NET) | 0 | 0 | 0 | 0 |
| rt18 | NET INCOME | 3,740,540 | 13 | 4,791,138 | 16 |
| rt19 | NET INCOME OF NON-CONTROLLING INTEREST | (21,508) | (0) | (56) | (0) |
| rt20 | NET INCOME OF CONTROLLING INTEREST | 3,762,048 | 13 | 4,791,194 | 16 |

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

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 | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|------|--|--------------------|---------|---------------------|-------|
| | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| RT | | Amount | % | Amount | % |
| rt01 | OPERATING REVENUES | 28,601,843 | 100 | 29,543,589 | 100 |
| rt21 | DOMESTIC | 27,757,132 | 97 | 28,552,591 | 97 |
| rt22 | FOREIGN | 844,711 | 3 | 990,998 | 3 |
| rt23 | TRANSLATION INTO DOLLARS (***) | 66,283 | 0 | 74,232 | 0 |
| | | | | | |
| rt08 | OTHER REVENUES AND (EXPENSES), NET | (27,488) | 100 | (355,087) | 100 |
| rt49 | OTHER REVENUES AND (EXPENSES), NET | 256,803 | (934) | (14,159) | 4 |
| rt34 | EMPLOYEE PROFIT SHARING | 410,423 | (1,493) | 485,457 | (137) |
| rt35 | DEFERRED EMPLOYEE PROFIT SHARING | (126,132) | 459 | (144,529) | 41 |
| | | | | | |
| rt06 | COMPREHENSIVE FINANCING COST | (1,498,398) | 100 | (1,289,110) | 100 |
| rt24 | INTEREST EXPENSE | 1,705,023 | (114) | 1,393,836 | (108) |
| rt42 | LOSS (GAIN) ON RESTATEMENT OF UDI'S | 0 | 0 | 0 | 0 |
| rt45 | OTHER FINANCIAL COSTS | 0 | 0 | 0 | 0 |
| rt26 | INTEREST INCOME | 184,593 | (12) | 162,406 | (13) |
| rt46 | OTHER FINANCIAL PRODUCTS | 0 | 0 | 0 | 0 |
| rt25 | FOREIGN EXCHANGE LOSS (GAIN) (NET) | 22,032 | (1) | (57,680) | 4 |
| rt28 | RESULT FROM MONETARY POSITION | 0 | 0 | 0 | 0 |
| | | | | | |
| rt10 | PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING | 1,977,950 | 100 | 2,126,152 | 100 |
| rt32 | INCOME TAX | 1,948,487 | 99 | 2,328,293 | 110 |
| rt33 | DEFERRED INCOME TAX | 29,463 | 1 | (202,141) | (10) |
| | | | | | |

(***) 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: 3 YEAR: 2010

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 | 4,230,812 | 4,284,832 |
| | | | |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-12

DATA PER SHARE

- CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

| REF | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|--|--|--------------------|--------|---------------------|--------|
| D | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | | Amount | | Amount | |
| d01 | BASIC INCOME PER ORDINARY SHARE (**) | \$0.93 | | \$1.00 | |
| 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 (**) | \$0.93 | | \$1.00 | |
| d05 | EFFECT OF DISCONTINUOUS OPERATIONS ON INCOME (LOSS) FROM CONTINUOUS OPERATIONS PER ORDINARY SHARE (**) | \$0.00 | | \$0.00 | |
| d08 | CARRYING VALUE PER SHARE | \$2.40 | | \$2.40 | |
| d09 | ACUMULATED CASH DIVIDEND PER SHARE | \$0.36 | | \$0.32 | |
| d10 | SHARE DIVIDENDS PER SHARE | 0.00 | shares | 0.00 | shares |
| d11 | MARKET PRICE TO CARRYING VALUE | 3.93 | times | 4.93 | times |
| d12 | MARKET PRICE TO BASIC INCOME PER ORDINARY SHARE (**) | 10.14 | times | 11.82 | 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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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-13

RATIOS

- CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

| REF | CONCEPTS | QUARTER OF PRESENT | | QUARTER OF PREVIOUS | |
|-----|---|--------------------|-------|---------------------|-------|
| P | | FINANCIAL YEAR | | FINANCIAL YEAR | |
| | YIELD | | | | |
| p01 | NET INCOME (LOSS) TO OPERATING REVENUES | 13.99% | | 17.32% | |
| p02 | NET INCOME TO STOCKHOLDERS' EQUITY (**) | 38.56% | | 42.00% | |
| p03 | NET INCOME TO TOTAL ASSETS (**) | 10.09% | | 10.25% | |
| p04 | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME | 31.78 | | 29.45 | |
| p05 | INCOME DUE TO MONETARY POSITION TO NET INCOME | 0.00% | | 0.00% | |
| | ACTIVITY | | | | |
| p06 | OPERATING REVENUES TO TOTAL ASSETS (**) | 0.69 | times | 0.67 | times |
| p07 | OPERATING REVENUES TO FIXED ASSETS (**) | 1.18 | times | 1.12 | times |
| p08 | INVENTORIES ROTATION (**) | 39.04 | times | 33.43 | times |
| p09 | ACCOUNTS RECEIVABLE IN DAYS OF SALES | 50.00 | days | 49.00 | days |

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| | | | | | |
|---|--|--------|-------|--------|-------|
| p10 | INTEREST PAID TO TOTAL LIABILITIES WITH COST (**) | 7.56% | | 7.52% | |
| | LEVERAGE | | | | |
| p11 | TOTAL LIABILITIES TO TOTAL ASSETS | 73.83% | | 75.60% | |
| p12 | TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY | 2.82 | times | 3.10 | times |
| p13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 42.27% | | 49.26% | |
| p14 | LONG-TERM LIABILITIES TO FIXED ASSETS | 77.07% | | 67.19% | |
| p15 | OPERATING INCOME (LOSS) TO INTEREST PAID | 4.60 | times | 5.66 | times |
| p16 | OPERATING REVENUES TO TOTAL LIABILITIES (**) | 0.93 | times | 0.88 | times |
| | LIQUIDITY | | | | |
| p17 | CURRENT ASSETS TO CURRENT LIABILITIES | 1.61 | times | 1.13 | times |
| p18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 1.56 | times | 1.10 | times |
| p19 | CURRENT ASSETS TO TOTAL LIABILITIES | 0.39 | times | 0.36 | times |
| p20 | AVAILABLE ASSETS TO CURRENT LIABILITIES | 40.22% | | 17.81% | |
| (**) INFORMATION OF THE PAST TWELVE MONTHS | | | | | |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-14

STATE OF CASH FLOW (INDIRECT METHOD)

MAIN CONCEPTS

- CONSOLIDATED INFORMATION -

(Thousands of Mexican Pesos)

Final printing

| REF | CONCEPTS | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|-----|--|---------------------|---------------------|
| E | | FINANCIAL YEAR | FINANCIAL YEAR |
| | | Amount | Amount |
| | OPERATION ACTIVITIES | | |
| e01 | INCOME (LOSS) BEFORE INCOME TAXES | 17,780,602 | 22,445,242 |
| e02 | +(-) ITEMS NOT REQUIRING CASH | 5,282,759 | 5,389,976 |
| e03 | +(-) ITEMS RELATED TO INVESTING ACTIVITIES | 12,965,441 | 13,317,679 |
| e04 | +(-) ITEMS RELATED TO FINANCING ACTIVITIES | 4,201,080 | 4,333,760 |
| e05 | CASH FLOWS BEFORE INCOME TAX | 40,229,882 | 45,486,657 |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION | (7,356,061) | (14,511,285) |
| e07 | NET CASH FLOWS PROVIDED OF OPERATING ACTIVITIES | 32,873,821 | 30,975,372 |
| | INVESTMENT ACTIVITIES | | |
| e08 | NET CASH FLOW FROM INVESTING ACTIVITIES | (6,989,012) | (8,188,241) |
| e09 | CASH IN EXCESS (REQUIRED) TO BE APPLIED IN FINANCING ACTIVITIES | 25,884,809 | 22,787,131 |
| | | | |
| | FINANCING ACTIVITIES | | |
| e10 | NET CASH FROM FINANCING ACTIVITIES | (28,215,865) | (21,096,447) |
| e11 | NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (2,331,056) | 1,690,684 |
| e12 | TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS | 0 | 0 |
| e13 | CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 14,379,768 | 6,136,563 |
| e14 | CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 12,048,712 | 7,827,247 |
| | | | |

MEXICAN STOCK EXCHANGE

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

FS-15

STATE OF CASH FLOW (INDIRECT METHOD)

BREAKDOWN OF MAIN CONCEPTS

- CONSOLIDATED INFORMATION -

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(Thousands of Mexican Pesos)

Final printing

| REF | CONCEPTS | QUARTER OF PRESENT | QUARTER OF PREVIOUS |
|------------|--|--------------------|---------------------|
| E | | FINANCIAL YEAR | FINANCIAL YEAR |
| | | Amount | Amount |
| e02 | +(-) ITEMS NOT REQUIRING CASH | 5,282,759 | 5,389,976 |
| e15 | +ESTIMATES FOR THE PERIOD | 5,657 | 44,688 |
| e16 | +PROVISIONS FOR THE PERIOD | 5,277,102 | 5,345,288 |
| e17 | +(-) OTHER UNREALIZED ITEMS | 0 | 0 |
| | | | |
| e03 | +(-) ITEMS RELATED TO INVESTING ACTIVITIES | 12,965,441 | 13,317,679 |
| e18 | +DEPRECIATION AND AMORTIZATION FOR THE PERIOD (*) | 13,114,789 | 13,480,639 |
| 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 | (149,348) | (162,960) |
| e22 | (-)DIVIDENDS RECEIVED | 0 | 0 |
| e23 | (-)INTEREST INCOME | 0 | 0 |
| e24 | (-)+ OTHER ITEMS | 0 | 0 |
| | | | |
| e04 | +(-) ITEMS RELATED TO FINANCING ACTIVITIES | 4,201,080 | 4,333,760 |
| e25 | +ACCRUED INTERESTS | 4,721,175 | 4,696,428 |
| e26 | +(-) OTHER ITEMS | (520,095) | (362,668) |
| | | | |
| e06 | CASH FLOW PROVIDED OR USED IN OPERATION | (7,356,061) | (14,511,285) |
| e27 | +(-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE | (1,954,291) | (2,832,022) |
| e28 | +(-) DECREASE (INCREASE) IN INVENTORIES | 78,786 | 500,049 |
| e29 | +(-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE AND OTHER ASSETS | 381,284 | (5,352,174) |
| e30 | +(-) INCREASE (DECREASE) IN SUPPLIERS | 413,327 | (1,673,962) |
| e31 | +(-) INCREASE (DECREASE) IN OTHER LIABILITIES | (662,476) | 2,752,150 |
| e32 | +(-) INCOME TAXES PAID OR RETURNED | (5,612,691) | (7,905,326) |
| | | | |

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| | | | |
|---|--|---------------------|---------------------|
| e08 | NET CASH FLOWS OF INVESTING ACTIVITIES | (6,989,012) | (8,188,241) |
| e33 | - PERMANENT INVESTMENT IN SHARES | (285,171) | (87,891) |
| e34 | +DISPOSITION OF PERMANENT INVESTMENT IN SHARES | 0 | 0 |
| e35 | - INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT | (6,556,814) | (8,894,118) |
| e36 | + SALE OF PROPERTY, PLANT AND EQUIPMENT | 0 | 0 |
| e37 | - INVESTMENT IN INTANGIBLE ASSETS | (4,345) | (3,344) |
| e38 | + DISPOSITION OF INTANGIBLE ASSETS | 0 | 0 |
| e39 | - OTHER PERMANENT INVESTMENTS | 0 | 0 |
| e40 | + DISPOSITION OF OTHER PERMANENT INVESTMENTS | 0 | 0 |
| e41 | + DIVIDENDS RECEIVED | 126,000 | 0 |
| e42 | + INTERESTS RECEIVED | 0 | 0 |
| e43 | +(-) DECREASE (INCREASE) ADVANCES AND LOANS TO THIRD PARTS | 0 | 0 |
| e44 | +(-) OTHER ITEMS | (268,682) | 797,112 |
| e10 | NET CASH FLOWS OF FINANCING ACTIVITIES | (28,215,865) | (21,096,447) |
| e45 | + BANK FINANCING | 1,546,000 | 10,667,296 |
| e46 | + STOCK MARKET FINANCING | 0 | 0 |
| e47 | + OTHER FINANCING | 0 | 0 |
| e48 | (-) BANK FINANCING AMORTIZATION | (20,902,078) | (21,379,950) |
| e49 | (-) STOCK MARKET FINANCING AMORTIZATION | 0 | 0 |
| e50 | (-) OTHER FINANCING AMORTIZATION | 0 | 0 |
| e51 | + (-) INCREASE (DECREASE) IN CAPITAL STOCK | 0 | 0 |
| e52 | (-) DIVIDENDS PAID | (6,504,256) | (5,942,027) |
| e53 | + PREMIUM ON ISSUANCE OF SHARES | 0 | 0 |
| e54 | + CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES | 0 | 0 |
| e55 | - INTEREST EXPENSE | (2,914,454) | (3,481,441) |
| e56 | (-) REPURCHASE OF SHARES | (11,043) | (3,050,230) |
| e57 | +(-) OTHER ITEMS | 569,966 | 2,089,905 |
| * IN CASE THAT THIS AMOUNT IS DIFFERENT FROM ACCOUNT R47 IT SHALL BE EXPLAINED IN NOTES | | | |

MEXICAN STOCK EXCHANGE

Index

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 1

CHIEF EXECUTIVE OFFICER REPORT

Consolidated

Final printing

Highlights

3rd Quarter 2010

During 2011, as has been TELMEX's practice for the last 20 years, we will continue to reduce prices of our services along with transferring the benefits to our customers. These improvements reflect our large investments, training and higher productivity and technological advances carried out in the last two decades. With this, we reiterate our commitment to our customers and our country to offer the most advanced and complete telecommunications services with the best conditions in the market .

At TELMEX we remain committed to advancing technological innovation, the digital culture, and information and communication technologies. We continue promoting **infinitum** high-speed Internet access. Thanks to our customers' preference, Infinitum increased from 67,000 services in December 2002, representing market share of 28.8% (Bank of America/Merrill Lynch Global Wireline Matrix, 2010), to 7.2 million broadband accesses at the end of September 2010, or more than two-thirds of broadband services nationwide, an annual increase of 82.9%. This expansion has made a significant contribution to making Mexico one of the four countries among the OECD members with the highest growth rates (OECD- Broadband Portal). In this manner, **infinitum** has come to be recognized as the best connection for the quality, continuity, speed and prices of our services. In the last 12 months we have added 871,000 services, including 220,000 in the third quarter.

At September 30, we had 15 million 622 thousand billed lines in service, 1.7 million fewer than September 2009 and 122,000 less than in the second quarter of 2010. Including cellular telephony services and other fixed line operators, TELMEX had market shares of 14.6% in the overall telecommunications market and 78.7% in fixed telephony.

The October 3, 2006, "Acuerdo de Convergencia" (Convergence Agreement), which was issued by the Federal Government through the Secretaría de Comunicaciones y Transportes (Communications and Transportation Ministry), established the basis for the convergence of telecommunications networks more than 48 months ago. TELMEX has already met the requirements, but even so, to date the authorities have not issued the corresponding favorable resolution that allows us to offer TV services. This situation is delaying development of the information society in the country and avoiding opportunities for consumers to enjoy the benefits of convergence and to have a better and bigger offering of services at competitive prices. In spite of this, TELMEX continues to make the necessary investments to keep us at the forefront of technological development, with the most reliable, efficient and state-of-the-art technology network available in the market.

2010 - The Year of Technological Innovation - has achieved the following results:

– Information Technologies: The Instituto Tecnológico de TELMEX en Tecnologías de la Información (Inttelmex IT) to date has trained, at no cost including a masters program, more than 950 IT professionals to innovate and produce solutions that support the competitiveness of companies and domestic institutions.

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– Education and Digital Culture: At the end of the third quarter, we had 3,000 Bibliotecas and Aulas Digitales TELMEX in operation (TELMEX Digital Libraries and Computer Class Rooms) nationwide.

– Connectivity in the Country: We have more than 2,500 WiFi Móvil **erinfinitum** sites in the major airports, shopping malls, public parks and educational facilities nationwide.

In the third quarter of 2010, total revenues were 28.6 billion pesos, a decrease of 3.2% compared with the same quarter of 2009.

From July to September, EBITDA (1) totaled 11.5 billion pesos, producing a margin of 40.2%. Operating income totaled 7.2 billion pesos, with a margin of 25.1%.

Net income in the third quarter totaled 3.7 billion pesos. In the quarter, earnings per share were 21 Mexican cents, 19.2% lower than the same period of last year, and earnings per ADR (2) were 33 US cents, a decrease of 15.4% compared with the third quarter of 2009.

At September 30, 2010, total debt was the equivalent of 6.503 billion dollars. Total net debt (3) was equivalent to 5.539 billion dollars, 945 million dollars less than September 30, 2009.

Capital expenditures (Capex) were the equivalent of 188.7 million dollars in the third quarter. Of this investment, 74.5% was used for growth and infrastructure projects in the data business. For the nine months, capex totaled 515.8 million dollars.

(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 conciliation 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 and local traffic

At September 30, we had 15 million 622 thousand billed lines in service, 1.7 million fewer than September 2009 and 122,000 less than in the second quarter of 2010. Including cellular telephony services and other fixed line operators, TELMEX had market shares of 14.6% in the overall telecommunications market and 78.7% in fixed telephony.

During the third quarter, local calls decreased 8.2% compared with the same period of 2009, totaling 4.894 billion local calls. The decline reflected the lower number of billed lines due to the growth in cellular telephony services and competition from other operators.

Long distance

From July to September, domestic long distance (DLD) traffic decreased 7.5% compared with the same quarter of 2009, totaling 4.656 billion minutes, mainly due to the decrease in termination traffic with cellular telephony operators and other long distance operators.

In the quarter, outgoing international long distance (ILD) traffic increased 15.8% compared with the third quarter of 2009, totaling 376 million minutes. Among factors contributing to this increase were the inclusion of this service in the **infinitem** packages and the increase of termination traffic from cellular operators. Incoming international long distance traffic increased 13.2% compared with the third quarter of 2009, totaling 1.774 billion minutes. The incoming-outgoing ratio was 4.7 times .

Interconnection

In the third quarter, interconnection traffic totaled 10.819 billion minutes, 2.9% lower than the same quarter of 2009, due to the 2.4% decrease in interconnection traffic with other local and long distance operators and the 1.7% decrease in traffic related to calling party pays services.

Internet access

At TELMEX we remain committed to advancing technological innovation, the digital culture, and information and communication technologies. We continue promoting **infinitem** high-speed Internet access. Thanks to our customers' preference, **infinitem** increased from 67,000 services in December 2002, representing market share of 28.8% (Bank of America/Merrill Lynch Global Wireline Matrix, 2010), to 7.2 million broadband accesses at the end of September 2010, or more than two-thirds of broadband services nationwide. This expansion has made a significant contribution to making Mexico one of the four countries among the OECD members with the highest growth rates (OECD- Broadband Portal). **infinitem** has come to be recognized as the best connection for the quality, continuity, speed and prices of our services. In the last 12 months we have added 871,000 services, including 220,000 in the third quarter.

This growth has been supported by the sales of more than 2.7 million computers since 1999 and by the promotion of our telecommunications service packages, which offer discounts of up to 44% for broadband Internet access and several voice services.

Financial Results

The following financial information for 2010 and 2009 is presented in nominal pesos, according to Mexican Financial Reporting Standards.

Revenues: In the third quarter, revenues totaled 28.602 billion pesos, a decrease of 3.2% compared with the same period of the previous year. Revenues related to data services increased 12.0%, and local, long distance and interconnection revenues decreased 9.0%, 11.7% and 8.8%, respectively.

- **Local:** Local service revenues totaled 10.243 billion pesos in the quarter, a decrease of 9.0% compared with the third quarter of 2009, due to decreases of 7.9% in revenue per local billed call and 8.2% in local traffic volume.
- **DLD:** DLD revenues totaled 3.073 billion pesos, 13.9% lower than the third quarter of 2009, due to the 7.5% decrease in traffic and the 6.9% decline in average revenue per minute. The total also was affected by lower revenue per minute in termination traffic with long distance operators and higher penetration of service packages that include domestic long distance service.

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- **ILD:** ILD revenues totaled 1.454 billion pesos in the third quarter, a decrease of 6.6% compared with the same quarter of the previous year. Contributing factors included the 15.8% increase in outgoing traffic and the 27.2% decrease in average revenue per minute due to the integration of ILD minutes in some packages with **infinitum**. Incoming international long distance traffic revenues totaled 620 million pesos, an increase of 9.4% compared with the third quarter of the previous year, due to the increase of 13.2% in incoming traffic and to the decrease of 3.4% in average revenue per minute.
- **Interconnection:** In the quarter, interconnection revenues decreased 8.8% to 3.831 billion pesos compared with the third quarter of 2009, due to the 1.7% decline in calling party pays services and the decrease of 5.9% in average revenue of these services.
- **Data:** Data revenues are comprised mainly of Internet access services and services related to corporate customers' Virtual Private Networks. Revenues from data services in the third quarter were 8.429 billion pesos, 12.0% higher compared with the same quarter of 2009 due to the increase of 12.8% in Internet access services and the integration of value-added services in our portfolio of products and services for the corporate market.

Costs and expenses: In the third quarter of 2010, total costs and expenses were 21.432 billion pesos, 1.7% higher than the same period of the previous year, mainly due to higher costs of equipment and services for customer sales and computer sales in Tiendas TELMEX (TELMEX Stores) and lower interconnection costs resulting from the decrease of 8.4% in the amount paid to cellular telephony operators for calling party pays services.

- **Cost of sales and services:** In the third quarter, cost of sales and services increased 5.4% compared with the same period of 2009, totaling 8.788 billion pesos, due to higher costs related to products and services for corporate customers and computer sales at Tiendas TELMEX (TELMEX Stores).

Commercial, administrative and general: In the period from July to September 2010, commercial, administrative and general expenses totaled 5.630 billion pesos, 6.0% higher than the same period a year ago, mainly due to higher maintenance expenses.

- **Interconnection:** Interconnection costs were 2.690 billion pesos, a decrease of 8.4% compared with the third quarter of 2009 due to the 8.4% decrease in the amount paid to cellular telephony operators for calling party pays services and the decrease of 1.7% in calling party pays traffic.
- **Depreciation and amortization:** In the quarter, depreciation and amortization decreased 3.5% compared with the same quarter of 2009, to 4.324 billion pesos, as a result of lower amounts of investments in recent years.

EBITDA (1) and operating income : EBITDA (1) totaled 11.494 billion pesos in the third quarter of 2010, a decrease of 11.3% compared with the same period of the prior year. The EBITDA margin was 40.2%. Operating income totaled 7.170 billion pesos in the third quarter and the operating margin was 25.1%.

Financing cost: In the third quarter, financing cost produced a charge of 1.498 billion pesos. This was a result of: i) a net interest charge of 1.520 billion pesos, 23.5% higher than the July – September period of 2009 which included recognition of the market value of interest rate swaps, in part offset by debt reduction, and ii) a net exchange gain of 22 million pesos due to the third-quarter exchange rate appreciation of 0.1556 pesos per dollar and the 3.875 billion dollars in dollar-peso hedges in effect at the end of September 2010.

Net income: In the third quarter, net income was 3.762 billion pesos, 21.5% lower than the same period of the previous year. Earnings per share were 21 Mexican cents, 19.2% lower than the third quarter of 2009, and earnings per ADR (2) were 33 US cents, a decrease of 15.4% compared with the same period of the previous year.

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Investments: In the third quarter, capital expenditures (Capex) were the equivalent of 188.7 million dollars, of which 74.5% was used for growth and infrastructure projects in the data business. For the nine months, investments totaled 515.8 million dollars.

Debt: Total debt at September 30, 2010, was the equivalent of 6.503 billion dollars, of which 92.9% is long-term, 46.3% has fixed rates considering interest rate swaps, and 62.5% is in foreign currency, equivalent to 4.067 billion dollars. To minimize risks from variations in the exchange rate, at September 30, 2010, we had dollar-peso hedges for 3.875 billion dollars.

Total net debt (3) decreased during the last 12 months the equivalent of 945 million dollars, bringing the total to 5.539 billion dollars.

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 third quarter of 2010 and 2009.

| | | 3Q2010 | | 3Q2009 | % Inc. | | 9 months 10 | 9 months 09 | | % Inc. |
|--|----|--------|----|--------|-----------|----|-------------|----------------|--------|-----------|
| Mexico Local Service Business | | | | | | | | | | |
| Income Statements | | | | | | | | | | |
| [In millions of Mexican pesos] | | | | | | | | | | |
| Revenues | | | | | | | | | | |
| Access, rent and measured service | P. | 10,168 | P. | 11,144 | (8.8) | P. | 30,757 | P. | 33,917 | (9.3) |
| LADA interconnection | | 1,213 | | 1,289 | (5.9) | | 3,568 | | 3,910 | (8.7) |
| Interconnection with operators | | 363 | | 440 | (17.5) | | 1,151 | | 1,377 | (16.4) |
| Interconnection with cellular operators | | 2,595 | | 2,827 | (8.2) | | 7,596 | | 8,436 | (10.0) |
| Other | | 3,696 | | 3,660 | 1.0 | | 11,444 | | 11,046 | 3.6 |
| Total | | 18,035 | | 19,360 | (6.8) | | 54,516 | | 58,686 | (7.1) |
| Costs and expenses | | | | | | | | | | |
| Cost of sales and services | | 5,997 | | 5,855 | 2.4 | | 18,107 | | 17,953 | 0.9 |
| Commercial, administrative and general | | 4,314 | | 4,648 | (7.2) | | 13,264 | | 13,547 | (2.1) |
| Interconnection | | 1,649 | | 1,835 | (10.1) | | 4,881 | | 5,518 | (11.5) |
| Depreciation and amortization | | 2,296 | | 2,447 | (6.2) | | 7,024 | | 7,406 | (5.2) |
| Total | | 14,256 | | 14,785 | (3.6) | | 43,276 | | 44,424 | (2.6) |
| Operating income | P. | 3,779 | P. | 4,575 | (17.4) | P. | 11,240 | P. | 14,262 | (21.2) |
| EBITDA (1) | P. | 6,075 | P. | 7,022 | (13.5) | P. | 18,264 | P. | 21,668 | (15.7) |
| EBITDA margin (%) | | 33.7 | | 36.3 | (2.6) | | 33.5 | | 36.9 | (3.4) |
| Operating margin (%) | | 21.0 | | 23.6 | (2.6) | | 20.6 | | 24.3 | (3.7) |
| Mexico Long Distance Service Business | | | | | | | | | | |
| Income Statements | | | | | | | | | | |
| [In millions of Mexican pesos] | | | | | | | | | | |
| | | | | | % | | | | | % |

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| | | 3Q2010 | | 3Q2009 | Inc. | | 9 months 10 | | 9 months 09 | Inc. |
|--|----|--------|----|--------|--------|----|-------------|----|-------------|--------|
| Revenues | | | | | | | | | | |
| Domestic long distance | P. | 3,673 | P. | 4,096 | (10.3) | P. | 11,014 | P. | 12,435 | (11.4) |
| International long distance | | 1,354 | | 1,494 | (9.4) | | 4,138 | | 4,887 | (15.3) |
| Total | | 5,027 | | 5,590 | (10.1) | | 15,152 | | 17,322 | (12.5) |
| Costs and expenses | | | | | | | | | | |
| Cost of sales and services | | 1,111 | | 1,168 | (4.9) | | 3,380 | | 3,908 | (13.5) |
| Commercial, administrative and general | | 1,251 | | 1,541 | (18.8) | | 3,774 | | 4,199 | (10.1) |
| Interconnection to the local network | | 1,831 | | 1,858 | (1.5) | | 5,436 | | 5,681 | (4.3) |
| Depreciation and amortization | | 418 | | 430 | (2.8) | | 1,277 | | 1,357 | (5.9) |
| Total | | 4,611 | | 4,997 | (7.7) | | 13,867 | | 15,145 | (8.4) |
| Operating income | P. | 416 | P. | 593 | (29.8) | P. | 1,285 | P. | 2,177 | (41.0) |
| EBITDA (1) | P. | 834 | P. | 1,023 | (18.5) | P. | 2,562 | P. | 3,534 | (27.5) |
| EBITDA margin (%) | | 16.6 | | 18.3 | (1.7) | | 16.9 | | 20.4 | (3.5) |
| Operating margin (%) | | 8.3 | | 10.6 | (2.3) | | 8.5 | | 12.6 | (4.1) |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Thousands of Mexican Pesos)

Consolidated

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RECOGNITION OF THE EFFECTS OF INFLATION

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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 2010 and 2009 have been qualified as non-inflationary, due to inflation in the preceding three fiscal years was 14.48% and 15.01%, respectively. Therefore, during 2010 and 2009 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

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. In August 2009, TELMEX prepaid the total amount of the first tranche, which original maturity was scheduled for October 2009.

On June 30, 2006 Telmex entered into a syndicated loan agreement in the amount of 500 million dollars divided into two tranches of 250 million dollars each, with a four-year and six-year maturity, respectively. In March 2010, TELMEX prepaid the total amount of the first tranche, which original maturity was scheduled for June 2010.

S 24 AND S 29 SENIOR NOTES

In the first quarter of 2005, TELMEX placed senior notes in the total amount of U.S.\$1.75 billions divided into two issuances of U.S.\$ 950 million and U.S.\$ 800 million, respectively, 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. In January 2010, TELMEX repaid U.S.\$950 million related to the maturity of the first issuance.

In January 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.

In November, 2009, TELMEX issued a bond for U.S.\$500 million due 2019 with an annual interest of 5.5%, interests are payable semiannually.

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In 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. In July 2009, two issuances of domestic senior notes were made under this program for a total amount of Ps.8,000,000.

In September 2009, TELMEX obtained approval for a dual program to issue short and long-term domestic senior notes in the total amount of P. 15,000,000. In November 2009, two issuances of domestic senior notes were made under this program for a total amount of Ps.6,000,000.

S 29 SENIOR NOTES (LONG-TERM)

As of September 30, 2010 and 2009, this item rose to Ps. 42,131,428 and Ps. 35,181,753, respectively, and is comprised as follows:

| | 2010 | 2009 |
|--------------------------|----------------|----------------|
| Domestic Senior Notes | Ps. 21,400,000 | Ps. 19,900,000 |
| Bonds | 16,231,428 | 10,781,753 |
| 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, the funds authorized to repurchase its own shares, bringing the total maximum amount to Ps. \$ 10,340,868.

From January through September 2010, the Company acquired 1.0 million L shares for Ps. 10,967 and 6,900 A shares for Ps. 76.

From January through September 2009, the Company acquired 269.8 million L shares for Ps \$3,034,953 and 1.4 million A shares for Ps. \$15,277.

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 September 30, 2010 and 2009 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 September 30, 2010 and 2009, this item rose to Ps. 10,639,479 and Ps. 8,678,749 respectively and is comprised as follows:

| | 2010 | 2009 |
|---------------------------|---------------|---------------|
| Accounts payable | Ps. 6,761,533 | Ps. 5,289,112 |
| Other accrued liabilities | 2,942,449 | 1,794,772 |
| Deferred credits | 935,497 | 1,594,865 |

S 91 EMPLOYEE BENEFITS

This item includes liabilities for deferred employee profit sharing and actuarial obligations for labor termination as of September 30, 2010 and 2009, pursuant to Mexican FRS D-3 and Bulletin D-3, respectively.

RATIOS

P 08 INVENTORY TURNOVER RATE-COST

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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.

RECLASIFICACIONES

Certain 2009 financial statements have been reclassified to conform with the presentation used for the year 2010.

INIF 19 "Change derived from the adoption of International Financial Reporting Standards"

In August 2010, the Mexican Board for Research and Development of Financial Reporting Standards, A.C. (Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera, A.C. -CINIF) issued the interpretation 19 to the Financial Reporting Standards (INIF 19) "Change derived from the adoption of International Financial Reporting Standards" which requires disclosure of progress in the adoption of such standards in the financial statements to be issued after September 30, 2010.

TELMEX for being a public company listed on the Mexican Stock Market (Bolsa Mexicana de Valores), has the obligation to prepare and disclose its financial information under international standards as from 2012, and plans to early adopt them starting on January 1, 2011. To date, the items that we have identified that could have an impact on the financial statements are: intangible assets, labor liabilities, financial instruments, deferred taxes and equity. The Company is in the process of quantifying the impact on the financial statements.

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 3a

SHARE INVESTMENTS SUBSIDIARIES

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| COMPANY NAME | MAIN ACTIVITIES | NUMBER OF SHARES | OWNERSHIP % |
|--|--|------------------|-------------|
| Integración de Servicios TMX, S.A. de C.V. | Investments in all types of businesses | 106,419,052,434 | 100.00 |
| Aerocomunicaciones, S.A. de C.V. | Aeronautic radiocom. mobile serv. | 128,234,600 | 100.00 |
| Aerofrisco, S.A. de C.V. | Air Taxi services | 7,230,624,600 | 100.00 |
| Alquiladora de Casas, S.A. de C.V. | Real estate acquisition & leasing | 686,001,490 | 100.00 |
| Buscatel, S.A. de C.V. | Paging services | 142,445 | 100.00 |
| Cía. de Teléfonos y Bienes Raíces, S.A. de C.V. | Real estate acquisition & leasing | 1,034,000,000 | 100.00 |
| Comertel Argos, S.A. de C.V. | Personnel services | 6,000 | 100.00 |
| Consortio Red Uno, S.A. de C.V. | Design & integrated telecom. Services | 279,634,377 | 100.00 |
| Construcciones y Canalizaciones, S.A. de C.V. | Construction & maint. of telephone network | 28,369,000 | 100.00 |
| Empresa de Limpieza Mexicana, S.A. de C.V. | Cleaning Service Company | 50 | 100.00 |
| Fintel Holdings, L.L.C. | Investments in all types of businesses | 1,490 | 100.00 |
| Fuerza y Clima, S.A. de C.V. | Air conditioning installation & maint. | 4,925,000 | 100.00 |
| Grupo Técnico de Administración, S.A. de C.V. | Management, consulting & org. Services | 50,000 | 100.00 |
| Impulsora Mexicana de Telecomunicaciones, S.A. | Network projects | 4,602,225 | 100.00 |
| Instituto Tecnológico de Teléfonos de México, S.C | Training & research services | 1,000 | 100.00 |
| Multicomunicación Integral, S.A. de C.V. | Trunking, installation & sales services | 665,759 | 100.00 |
| Operadora Mercantil, S.A. de C.V. | Marketing services | 50,000 | 100.00 |
| Renta de Equipo, S.A. de C.V. | Equipment, vehicles & real estate leasing | 15,377,595,000 | 100.00 |
| Servicios Administrativos Tecmarketing, SA de CV | Software development, sales & management | 140,687,728 | 100.00 |
| Tecmarketing, S.A. de C.V. | Telemarketing services | 6,850,000 | 100.00 |
| Telecomunicaciones Controladora de Servicios, S.A. | Investments in all types of businesses | 138,839 | 100.00 |
| Teleconstructora, S.A. de C.V. | Construction & maint. of telephone network | 19,400,000 | 100.00 |
| Teléfonos del Noroeste, S.A. de C.V. | Telecommunication services | 110,000,000 | 100.00 |
| Telmex Holdings, Inc. | Telecommunication services | 1,000 | 100.00 |
| Teninver, S.A. de C.V. | Investments in all types of businesses | 2,835,797,009 | 100.00 |
| Uninet, S.A. de C.V. | Data transmission services | 65,837,647 | 100.00 |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 3b

SHARE INVESTMENTS AFFILIATES

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| 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 | 803,023 |
| Centro Histórico de la Ciudad de México, SA de CV | Real estate services | 16,004,000 | 12.79 | 80,020 | 100,626 |
| 2Wire, Inc. | Broadband Services | 8,619,242 | 13.00 | 648,400 | 399,814 |
| TM and MS, L.L.C. | Internet portal (Prodigy MSN) | 1 | 50.00 | 29,621 | 194,782 |
| Eidon Software, S.A. de C.V. | Software development | 76,629,615 | 49.00 | 155,737 | 168,739 |
| TOTAL INVESTMENT IN ASSOCIATES | | | | 1,423,916 | 1,666,984 |
| OTHER PERMANENT INVESTMENTS | | | | | 123,790 |
| T O T A L | | | | | 1,790,774 |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 5

CREDITS BREAKDOWN

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(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 | |
| AS | | | | | | | | | | | | | | | | |
| MENT | Y | 16/03/2006 | 22/07/2014 | 0.8484 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 174,694 | 135,941 | 135,940 | 45,000 | |
| TE (1) | Y | 15/01/2007 | 10/03/2018 | 0.8088 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 791,744 | 791,745 | 791,745 | 791,745 | |
| 3) | Y | 28/02/1986 | 31/03/2022 | 2.0000 | 0 | 0 | 0 | 0 | 0 | 0 | 3,298 | 21,955 | 25,213 | 25,253 | 25,253 | |
| DEBT | | | | | | | | | | | | | | | | |
| ICIAL | | | | | | | | | | | | | | | | |
| N.A. | Y | 13/06/2008 | 13/06/2014 | 0.6400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 125,011 | 500,044 | |
| RIA | Y | 12/02/2008 | 18/02/2014 | 0.5463 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,979,702 | |
| ER (2) | Y | 30/06/2006 | 30/06/2012 | 0.5400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,125,275 | 0 | 0 | |
| N.A. | Y | 11/08/2006 | 20/10/2011 | 0.5400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,501,100 | 0 | 0 | |
| N.A. | Y | 11/08/2006 | 11/08/2013 | 0.6150 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,916,923 | 5,833,847 | 0 | |
| STEMS | Y | 25/04/2007 | 30/09/2014 | 4.5000 | 0 | 0 | 0 | 0 | 0 | 0 | 87,508 | 162,514 | 250,022 | 200,018 | 137,511 | |
| RIAS | N/A | 12/03/2008 | 28/06/2011 | 5.5989 | 1,765 | 46,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | | | | | |
| ANKS | | | | | 1,765 | 46,000 | 0 | 0 | 0 | 0 | 90,806 | 1,150,907 | 19,746,219 | 7,111,814 | 4,479,255 | |
| | | | | | | | | | | | | | | | | |
| K ET | | | | | | | | | | | | | | | | |
| TOCK NGE | | | | | | | | | | | | | | | | |

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| | | | | | | | | | | | | | | | |
|---|-----|------------|------------|---------|------------|-----------|-----------|-----------|---|------------|--------|-----------|------------|-----------|-----------|
| ED | | | | | | | | | | | | | | | |
| RSAT 2-4(3) | N/A | 31/05/2002 | 31/05/2012 | 10.2000 | 0 | 0 | 300,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RSAT 6(5) | N/A | 21/09/2006 | 15/09/2011 | 4.9350 | 0 | 500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RSAT 7(3) | N/A | 23/04/2007 | 16/03/2037 | 8.3600 | 0 | 0 | 0 | 0 | 0 | 5,000,000 | 0 | 0 | 0 | 0 | 0 |
| RSAT 7-2(4) | N/A | 23/04/2007 | 16/04/2012 | 4.7733 | 0 | 0 | 4,500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RSAT 8(3) | N/A | 21/04/2008 | 05/04/2018 | 8.2700 | 0 | 0 | 0 | 0 | 0 | 1,600,000 | 0 | 0 | 0 | 0 | 0 |
| RSAT 9(4) | N/A | 10/07/2009 | 07/07/2011 | 5.6133 | 0 | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RSAT 9-2(4) | N/A | 10/07/2009 | 04/07/2013 | 5.8233 | 0 | 0 | 0 | 4,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RSAT 9-3(4) | N/A | 03/11/2009 | 30/10/2014 | 5.8233 | 0 | 0 | 0 | 0 | 0 | 4,000,000 | 0 | 0 | 0 | 0 | 0 |
| RSAT 9-4(4) | N/A | 03/11/2009 | 27/10/2016 | 6.1233 | 0 | 0 | 0 | 0 | 0 | 2,000,000 | 0 | 0 | 0 | 0 | 0 |
| OR | Y | 27/01/2005 | 27/01/2015 | 5.5000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OR | Y | 12/11/2009 | 15/11/2019 | 5.5000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OR SOS | N/A | 31/01/2006 | 31/01/2016 | 8.7500 | 0 | 0 | 0 | 0 | 0 | 4,500,000 | 0 | 0 | 0 | 0 | 0 |
| DEBT | | | | | | | | | | | | | | | |
| TE MENTS | | | | | | | | | | | | | | | |
| ED | | | | | | | | | | | | | | | |
| DEBT | | | | | | | | | | | | | | | |
| OCK GE | | | | | 0 | 4,500,000 | 4,800,000 | 4,000,000 | 0 | 17,100,000 | 0 | 0 | 0 | 0 | 0 |
| ERS | | | | | | | | | | | | | | | |
| IS | | | | | | | | | | | | | | | |
| 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 |
| OTHER LONG AND SHORT TERM LOANS WITH (3) AND (S30) | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CURRENT LIABILITIES WITHOUT COST (S26) | | | | | | | | | | | | | | | |
| ABILITIES COST (S26) | | 0 | 0 | 0.0000 | 22,182,813 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER CURRENT LIABILITIES WITHOUT COST | | | | | 22,182,813 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| L | | | | | 22,184,578 | 4,546,000 | 4,800,000 | 4,000,000 | 0 | 17,100,000 | 90,806 | 1,150,907 | 19,746,219 | 7,111,814 | 4,479,255 |

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 0.4625 at September 30, 2010
- Libor at 3 months in US dollars is equivalent to 0.2900 at September 30, 2010
- TIE at 28 days is equivalent to 4.8733 at September 30, 2010
- TIE at 91 days is equivalent to 4.9550 at September 30, 2010
- Libor at 3 months in JPY is equivalent to 0.2163 at September 30, 2010

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 September 30, 2010 were as follows:

| CURRENCY | AMOUNT | E.R. |
|--------------------|------------|-------|
| DOLLAR (USD) | 3,813,054 | 12.50 |
| EURO (EUR) | 11,435 | 17.06 |
| JAPANESE YEN (JPY) | 19,891,200 | 0.15 |

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

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 | 140,331 | 1,754,289 | 0 | 0 | 1,754,289 |
| LIABILITIES | 3,942,975 | 49,291,521 | 253,960 | 3,174,771 | 52,466,292 |
| SHORT-TERM LIABILITIES | 227,230 | 2,840,621 | 2,020 | 25,247 | 2,865,868 |
| LONG-TERM LIABILITIES | 3,715,745 | 46,450,900 | 251,940 | 3,149,524 | 49,600,424 |
| NET BALANCE | (3,802,644) | (47,537,232) | (253,960) | (3,174,771) | (50,712,003) |

FOREIGN CURRENCY USED:

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) | 12.50 |
| EURO | 17.06 |
| JAPANESE YEN | 0.15 |

| FOREIGN CURRENCY | ORIGINAL CURRENCY |
|-----------------------|-------------------|
| CURRENT LIABILITIES | |
| EURO | 1,480 |
| LONG TERM LIABILITIES | |
| EURO | 9,955 |
| JAPANESE YEN | 19,891,200 |

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 7

CALCULATION AND RESULT FROM MONETARY POSITION

(Thousands of Mexican Pesos)

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| MONTH | MONETARY ASSETS | MONETARY LIABILITIES | (ASSETS) LIABILITIES MONETARY POSITION | MONTHLY INFLATION | MONTHLY EFFECT (ASSET) LIABILITIES |
|-------|-----------------|----------------------|--|-------------------|------------------------------------|
| | | | | | |
| | | | | | |

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| | | | | | |
|--|---|---|---|------|----------|
| JANUARY | 0 | 0 | 0 | 0.00 | 0 |
| FEBRUARY | 0 | 0 | 0 | 0.00 | 0 |
| MARCH | 0 | 0 | 0 | 0.00 | 0 |
| APRIL | 0 | 0 | 0 | 0.00 | 0 |
| MAY | 0 | 0 | 0 | 0.00 | 0 |
| JUNE | 0 | 0 | 0 | 0.00 | 0 |
| JULY | 0 | 0 | 0 | 0.00 | 0 |
| AUGUST | 0 | 0 | 0 | 0.00 | 0 |
| SEPTEMBER | 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 | | | | | |

Not applicable

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 8

DEBT INSTRUMENTS

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FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

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

A portion of the debt is also subject to early maturity or repurchase at the option of the holders in the event of change of control of the Company, as defined in the related instruments. The definition of change of control varies from instrument to instrument; however, no change in control shall be considered to have occurred as long as Carso Global Telecom, S.A.B. de C.V. (TELMEX's controlling company) or its current stockholders continue to hold the majority of the Company's voting shares.

CURRENT SITUATION OF FINANCIAL LIMITED

At September 30, 2010, 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 | | | |
| | | | |
| NOTES: | | | |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 10

RAW MATERIALS

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| RAW MATERIALS | MAIN SUPPLIERS | ORIGIN | DOM. SUBST. | TOTAL PRODUCTION COST (%) |
|---------------|----------------|--------|----------------|------------------------------|
| NOT AVAILABLE | | | | |
| | | | | |
| NOTES : | | | | |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 11a

SALES DISTRIBUTION BY PRODUCT

SALES

(Thousands of Mexican Pesos)

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

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| | | | | | |
|-----------------------|---|-------------------|-----|--|--|
| DOMESTIC SALES | | | | | |
| LOCAL SERVICE | 0 | 30,994,669 | 0.0 | | |
| LONG DISTANCE SERVICE | 0 | 11,311,219 | 0.0 | | |
| INTERCONNECTION | 0 | 11,400,320 | 0.0 | | |
| DATA | 0 | 24,583,631 | 0.0 | | |
| OTHERS | 0 | 4,881,509 | 0.0 | | |
| FOREIGN SALES | | | | | |
| NET SETTLEMENT | 0 | 1,805,742 | 0 | | |
| LONG DISTANCE SERVICE | 0 | 446,933 | 0 | | |
| DATA | 0 | 131,816 | 0 | | |
| OTHERS | 0 | 49,289 | 0 | | |
| TOTAL | | 85,605,128 | | | |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANNEX 11b

SALES DISTRIBUTION BY PRODUCT

FOREIGN SALES

(Thousands of Mexican Pesos)

Consolidated

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| MAIN PRODUCTS | NET SALES | | DESTINATION | MAIN TRADEMARKS | CUSTOMERS |
|----------------|-----------|-----------|-------------|-----------------|-----------|
| | VOLUME | AMOUNT | | | |
| EXPORT | | | | | |
| NET SETTLEMENT | 0 | 1,805,742 | | | |
| DATA | 0 | 131,816 | | | |
| OTHERS | 0 | 6,440 | | | |

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| FOREIGN SUBSIDIARIES | | | | | |
|-----------------------------|--|---|------------------|--|--|
| LONG DISTANCE SERVICE | | 0 | 446,933 | | |
| DATA | | 0 | 0 | | |
| OTHERS | | 0 | 42,849 | | |
| TOTAL | | | 2,433,780 | | |
| NOTES: | | | | | |

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

ANALYSIS OF PAID CAPITAL STOCK

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| SERIES | NOMINAL | VALID | NUMBER OF SHARES | | | | CAPITAL STOCK | | |
|---|---------|--------|-----------------------|----------|----------------------|-----------------------|-----------------------|----------|--|
| | VALUE | COUPON | FIXED | VARIABLE | MEXICAN | PUBLIC | FIXED | VARIABLE | |
| | VALUE | | PORTION | PORTION | | SUSCRIPTION | | | |
| A | 0.00432 | 0 | 386,260,027 | 0 | 0 | 386,260,027 | 1,668 | 0 | |
| AA | 0.00432 | 0 | 8,045,596,082 | 0 | 8,045,596,082 | 0 | 34,737 | 0 | |
| L | 0.00432 | 0 | 9,759,029,251 | 0 | 0 | 9,759,029,251 | 42,135 | 0 | |
| TOTAL | | | 18,190,885,360 | 0 | 8,045,596,082 | 10,145,289,278 | 78,540 | 0 | |
| TOTAL NUMBER OF SHARES REPRESENTING CAPITAL STOCK ON THE REPORTING DATE OF THE INFORMATION: | | | | | | | 18,190,885,360 | | |
| NOTES: | | | | | | | | | |
| The nominal value per share is \$0.0043175625 MXN | | | | | | | | | |

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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 | | Amount used 2010 | Budget 2010 | % of Advance |
|---------------------------------------|----------------------------|-----------------|---------------------|-------------------|-----------------|
| | 3rd. Quarter 10 Jul-Sep | % of Advance | | | |
| DATA | 1,251,144 | 32.1 | 2,521,453 | 3,901,693 | 64.6 |
| INTERNAL PLANT | 25,971 | 10.8 | 445,303 | 240,681 | 185.0 |
| NETWORKS | 126,252 | 16.5 | 627,770 | 766,756 | 81.9 |
| TRANSMISSION NETWORK | 425,094 | 22.0 | 999,228 | 1,932,968 | 51.7 |
| SYSTEMS | 26,283 | 12.3 | 39,563 | 213,979 | 18.5 |
| OTHERS | 542,293 | 17.9 | 1,877,292 | 3,028,845 | 62.0 |
| TELMEX USA | 5,134 | 4.5 | 38,358 | 115,078 | 33.3 |
| TOTAL INVESTMENT TELMEX MEXICO | 2,402,171 | 23.6 | 6,548,967 | 10,200,000 | 64.2 |

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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 differences

Transactions in foreign currency are recorded at the prevailing exchange rate on the day of the related transactions. Foreign currency denominated monetary assets and liabilities are valued at the prevailing exchange rate at the balance sheet date. Exchange differences from the transaction date to the time foreign currency denominated monetary assets and liabilities are settled, as well as those arising from the translation of foreign currency denominated balances at the balance sheet date are charged or credited to results of operations.

Translation of financial statements of foreign subsidiary and affiliate

The financial statements of the foreign subsidiary and affiliate are either consolidated or accounted for based on the equity method, as the case may be, once the financial statements have been adjusted to conform to Mexican Financial Reporting Standards in the corresponding local currency, and are then translated to the reporting currency. All the assets and liabilities of our foreign subsidiary and affiliate are translated to Mexican pesos at the prevailing exchange rate at the end of the period. Stockholders' equity accounts are translated at the prevailing exchange rate at the time capital contributions were made and earnings were generated. Revenues, costs and expenses are translated at the historical exchange rate. Translation differences are recorded in stockholders' equity in the line item "Effect of translation of foreign entities" under "Accumulated other comprehensive income items."

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

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 September 30, 2010, Teléfonos de México, S.A.B. de C.V. (the "Company") had cross currency swap agreements in the equivalent of U.S.\$3,825 million, which have hedged the exchange rate and interest rate risks related to the bonds with maturity in 2015 and 2019 for a total amount of U.S.\$ 1,300 million and loans with maturities from 2011 to 2018 for a total amount of U.S.\$ 2,525 million. These hedges allowed us to fix the exchange rate of our debt on a weighted average exchange rate of \$10.7195 Mexican pesos per US dollar, and an average interest rate of 28-day TIE less a specified margin as well as to set a fixed rate of 8.57% for the bond maturing in 2015.

At the end of the third quarter, the Company had forward contracts for U.S.\$50 million at a exchange rate of \$12.8811 Mexican pesos per US dollar.

At September 30, 2010, the Company had interest rate swaps in Mexican pesos for Ps.\$16,649 million to hedge the floating rate risk in local currency fixing it at an average of 8.48%.

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 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 associating the hedges with the 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 goal parameters under which the hedge agreements are contracted. This strategy seeks to reduce the risk exposure of abnormal market fluctuations in the main variables that affect our debt, including exchange rate and interest rate, to maintain 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 counterparties

The financial institutions and counterparties 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 such counterparties. 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 prices provided by the financial intermediaries; and, in certain transactions, the counterpart is able to act as valuation agent under the applicable documentation if 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 annex 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 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 an 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 financial reporting standards, are discussed with the external auditors that validate the reasonable 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 contracted.

At September 30, 2010, it was recognized in the statement of income an accrued net charge of Ps.\$1,723 million for exchange rate hedges. In addition, it was recognized in the statement of income an accrued net charge of Ps.\$2,024 million for interest rate hedges.

During the third quarter, there have not been any margin call.

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 | <u>TIIE</u> | <u>TIIE</u> | MXN | MXN | | |
| Cross Currency Swap | Hedging | 3,586,518 | 3,556,266 | 4.8733 | 4.9550 | 8,211,129 | 9,707,377 | (1) | |
| | | | | <u>EXCHANGE RATE</u> | <u>EXCHANGE RATE</u> | | | | |
| | | | | 12.5011 | 12.6567 | | | | |
| Subtotal | | 3,586,518 | 3,556,266 | | | 8,211,129 | 9,707,377 | | |
| | | USD | USD | <u>EXCHANGE RATE</u> | <u>EXCHANGE RATE</u> | MXN | MXN | | |
| Forwards | Hedging | 50,000 | 10,000 | 12.5011 | 12.6567 | (12,742) | (4,063) | (2) | |
| Total | | 3,636,518 | 3,566,266 | | | 8,198,387 | 9,703,314 | | |
| Exchange Rate Hedges (interests only) | | | | | | | | | |
| | | USD | USD | <u>TIIE</u> | <u>TIIE</u> | MXN | MXN | | |
| Cross Currency Coupon Swap | Hedging | 50,000 | 50,000 | 4.8733 | 4.9550 | 170 | 718 | (4) | |
| | | | | <u>EXCHANGE RATE</u> | <u>EXCHANGE RATE</u> | | | | |
| | | | | 12.5011 | 12.6567 | | | | |
| Interest Rate Hedges (floating rate to fixed rate) | | | | | | | | | |
| | | MXN | MXN | <u>TIIE</u> | <u>TIIE</u> | MXN | MXN | | |

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| | | | | | | | | | |
|--------------------|---------|------------|------------|--------|--------------|------------------|------------------|-----|--|
| Interest Rate Swap | Hedging | 16,649,250 | 16,649,250 | 4.8733 | 4.9550 | (2,110,919) | (1,752,700) | (5) | |
| | | | | | TOTAL | 7,117,454 | 8,872,304 | | |

(*) Of our hedge agreements, 60% of the total hedge amount include margin calls, when the market value exceeds the amounts of the lines of credit that we have for the amount of USD \$ 425 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 specified margin and with an average life of 3 years.

(2) This forward position mainly hedges debt service flows in US dollars with maturity in 2010 and 2011.

(3) This swap, hedge debt position in Yens with the obligation of paying in Mexican pesos \$ 2,000 million (equivalent to USD \$ 238 million) at a floating rate and mature on 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 mature on November 2010.

(5) These agreements hedge debt position in Mexican pesos at a floating rate, fixing it at an average of 8.48% and with an average life of 6 years.

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TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

GENERAL INFORMATION

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ISSUER GENERAL INFORMATION

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

ISSUER FISCAL INFORMATION

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

OFFICERS INFORMATION

| | |
|---------------|--|
| POSITION BMV: | CHAIRMAN OF THE BOARD |
| POSITION: | CHAIRMAN OF THE BOARD |
| NAME: | LIC. CARLOS SLIM DOMIT |
| ADDRESS: | AV. SAN FERNANDO No.649, COL. PEÑA POBRE |
| ZIP: | 14060 |
| CITY: | MEXICO, D.F. |
| TELEPHONE: | 53 25 98 01 |
| FAX: | 55 73 31 77 |
| E-MAIL: | slime@sanborns.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. CUAUHEMOC |
| ZIP: | 06599 |

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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 - 10TH. FLOOR OFFICE 1016, COL. CUAUHEMOC
ZIP: 06599
CITY: MEXICO, D.F.
TELEPHONE: 52 22 57 80
FAX: 52 55 15 76
E-MAIL: acerezo@telmex.com

POSITION BMV: DISTRIBUTION OF CORPORATE INFORMATION DELEGATE
POSITION: COMPTROLLER
NAME: LIC. ROLANDO REYNIER VALDES
ADDRESS: PARQUE VIA 198 - 5TH. 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 - 2ND. FLOOR OFFICE 202, COL. CUAUHEMOC

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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 - 2ND. FLOOR OFFICE 202, COL. CUAUHTEMOC
ZIP: 06599
CITY: MEXICO, D.F.
TELEPHONE: 52 22 14 25
FAX: 55 46 43 74
E-MAIL: smedinan@telmex.com

POSITION BMV: DISTRIBUTION OF FINANCIAL INFORMATION DELEGATE
POSITION: COMPTROLLER
NAME: LIC. ROLANDO REYNIER VALDES
ADDRESS: PARQUE VIA 198 - 5TH. FLOOR OFFICE 502, COL. CUAUHTEMOC
ZIP: 06599
CITY: MEXICO, D.F.
TELEPHONE: 52 22 92 92
FAX: 57 05 62 31
E-MAIL: rreynier@telmex.com

POSITION BMV: DISTRIBUTION OF MATERIAL FACTS DELEGATE
POSITION: SHAREHOLDER SERVICES MANAGER
NAME: LIC. MIGUEL ANGEL PINEDA CATALAN

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ADDRESS: PARQUE VIA 198 - 2ND. 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 - 7TH. 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 - 2ND. 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: PAYMENT RESPONSIBLE

POSITION: COMPTROLLER

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

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2010

TELÉFONOS DE MÉXICO, S.A.B. DE C.V.

BOARD OF DIRECTORS

Consolidated

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| POSITION | NAME | | | |
|--------------------------------|--------------------|------------------|-------------|--|
| CHAIRMAN OF THE BOARD | LIC. CARLOS | SLIM | DOMIT | |
| VICE CHAIRMAN (INDEPENDENT) | C.P. JUAN ANTONIO | PEREZ | SIMON | |
| BOARD PROPIETORS (INDEPENDENT) | ING. ANTONIO | COSIO | ARIÑO | |
| BOARD PROPIETORS (INDEPENDENT) | DRA. AMPARO | ESPINOSA | RUGARCIA | |
| BOARD PROPIETORS (INDEPENDENT) | ING. ELMER | FRANCO | MACIAS | |
| BOARD PROPIETORS (INDEPENDENT) | LIC. JOSE | KURI | HARFUSH | |
| BOARD PROPIETORS (INDEPENDENT) | LIC. ANGEL | LOSADA | MORENO | |
| BOARD PROPIETORS | LIC. MARCO ANTONIO | SLIM | DOMIT | |
| BOARD PROPIETORS | LIC. PATRICK | SLIM | DOMIT | |
| BOARD PROPIETORS | LIC. HECTOR | SLIM | SEADE | |
| BOARD PROPIETORS (INDEPENDENT) | SR. MICHAEL | J. | VIOLA | |
| BOARD PROPIETORS (INDEPENDENT) | SR. LARRY | I. | BOYLE | |
| BOARD PROPIETORS (INDEPENDENT) | C.P. RAFAEL | KALACH | MIZRAHI | |
| BOARD PROPIETORS (INDEPENDENT) | LIC. RICARDO | MARTIN | BRINGAS | |
| BOARD ALTERNATES | C.P. JOSÉ HUMBERTO | GUTIERREZ-OLVERA | ZUBIZARRETA | |
| BOARD ALTERNATES (INDEPENDENT) | ING. ANTONIO | COSIO | PANDO | |

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| BOARD ALTERNATES (INDEPENDENT) | ING. | MARCOS | FRANCO | HERNAIZ |
| BOARD ALTERNATES (INDEPENDENT) | SR. | EDUARDO | TRICIO | HARO |
| BOARD ALTERNATES (INDEPENDENT) | LIC. | JAIME | ALVERDE | GOYA |
| BOARD ALTERNATES | LIC. | EDUARDO | VALDES | ACRA |
| BOARD ALTERNATES | C.P. | OSCAR | VON HAUSKE | SOLIS |
| BOARD ALTERNATES | SR. | JORGE A. | CHAPA | SALAZAR |
| BOARD ALTERNATES (INDEPENDENT) | LIC. | JORGE C. | ESTEVE | RECOLONS |
| | | | | |
| 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: **October 25, 2010.**

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. - **THIRD QUARTER 2010.**