

TELEFONOS DE MEXICO S A DE C V
Form 6-K
October 26, 2006

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer

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

For the month of **October 2006**

Commission File Number: 333-13580

Teléfonos de México, S.A. de C.V.

(Exact Name of the Registrant as Specified in the Charter)

Telephones of Mexico

(Translation of Registrant's Name into English)

Parque Vía 190

Colonia Cuauhtémoc

México City 06599, México, D.F.

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F....

.....Form 40-F.....

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No... ..

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

TELÉFONOS DE MÉXICO, S.A. DE C.V.

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2006

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-01

CONSOLIDATED BALANCE SHEETS

AT SEPTEMBER 30, 2006 & 2005

(Thousands of Mexican Pesos)

Final printing

REF S	CONCEPTS	QUARTER OF PRESENT		QUARTER OF PREVIOUS	
		FINANCIAL YEAR		FINANCIAL YEAR	
		Amount	%	Amount	%
s01	TOTAL ASSETS	265,235,162	100	268,096,531	100
s02	CURRENT ASSETS	64,472,829	24	65,050,916	24
s03	CASH AND SHORT-TERM INVESTMENTS	23,747,942	9	28,685,055	11

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s04	ACCOUNTS AND NOTES RECEIVABLE (NET)	27,884,094	11	26,969,092	10
s05	OTHER ACCOUNTS AND NOTES RECEIVABLE (NET)	5,130,100	2	5,966,672	2
s06	INVENTORIES	1,467,530	1	941,978	0
s07	OTHER CURRENT ASSETS	6,243,163	2	2,488,119	1
s08	LONG - TERM	1,351,574	1	948,961	0
s09	ACCOUNTS AND NOTES RECEIVABLE (NET)	0	0	0	0
s10	INVESTMENT IN SHARES OF NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES	1,344,924	1	941,888	0
s11	OTHER INVESTMENTS	6,650	0	7,073	0
s12	PROPERTY, PLANT AND EQUIPMENT (NET)	156,665,244	59	157,603,421	59
s13	LAND AND BUILDINGS	0	0	0	0
s14	MACHINERY AND INDUSTRIAL EQUIPMENT	469,922,174	177	445,981,034	166
s15	OTHER EQUIPMENT	0	0	0	0
s16	ACCUMULATED DEPRECIATION	322,112,965	121	297,012,991	111
s17	CONSTRUCTIONS IN PROGRESS	8,856,035	3	8,635,378	3
s18	OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	14,490,885	5	11,892,245	4
s19	OTHER ASSETS	28,254,630	11	32,600,988	12
s20	TOTAL LIABILITIES	154,206,966	100	147,849,756	100
s21	CURRENT LIABILITIES	43,415,166	28	50,043,887	34
s22	SUPPLIERS	0	0	0	0
s23	BANK LOANS	6,440,539	4	3,740,070	3
s24	STOCK MARKET LOANS	1,650,000	1	13,201,208	9
s25	TAXES PAYABLE	2,649,721	2	2,605,923	2
s26	OTHER CURRENT LIABILITIES	32,674,906	21	30,496,686	21
s27	LONG - TERM LIABILITIES	92,646,190	60	79,479,118	54
s28	BANK LOANS	52,308,140	34	41,345,070	28

s29	STOCK MARKET LOANS	40,338,050	26	38,134,048	26
s30	OTHER LOANS	0	0	0	0
s31	DEFERRED LIABILITIES	0	0	0	0
s32	OTHER NON CURRENT LIABILITIES	18,145,610	12	18,326,751	12
s33	CONSOLIDATED STOCKHOLDERS' EQUITY	111,028,196	100	120,246,775	100
s34	MINORITY INTEREST	11,543,465	10	12,914,728	11
s35	MAJORITY INTEREST	99,484,731	90	107,332,047	89
s36	CONTRIBUTED CAPITAL	46,465,417	42	48,414,019	40
s79	CAPITAL STOCK (NOMINAL)	26,651,116	24	28,599,718	24
s39	PREMIUM ON SALES OF SHARES	19,814,301	18	19,814,301	16
s40	CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES	0	0	0	0
s41	CAPITAL INCREASE (DECREASE)	53,019,314	48	58,918,028	49
s42	RETAINED EARNINGS AND CAPITAL RESERVE	122,114,249	110	126,675,508	105
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	(69,094,935)	(62)	(67,757,480)	(56)
s80	SHARES REPURCHASED	0	0	0	0

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-02

CONSOLIDATED BALANCE SHEETS

- BREAKDOWN OF MAIN CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

REF S	CONCEPTS	QUARTER OF PRESENT		QUARTER OF PREVIOUS	
		FINANCIAL YEAR		FINANCIAL YEAR	
		Amount	%	Amount	%
s03	CASH AND SHORT-TERM INVESTMENTS	23,747,942	100	28,685,055	100
s46	CASH	2,266,107	10	1,584,530	6
s47	SHORT-TERM INVESTMENTS	21,481,835	90	27,100,525	94
s07	OTHER CURRENT ASSETS	6,243,163	100	2,488,119	100
s81	DERIVATIVE FINANCIAL INSTRUMENTS	473,901	8	259,583	10
s82	DISCONTINUED OPERATIONS	0	0	0	0
s83	OTHER	5,769,262	92	2,228,536	90
s18	OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET)	14,490,885	100	11,892,245	100
s48	AMORTIZED OR REDEEMED EXPENSES	4,650,996	32	4,295,937	36
s49	GOODWILL	9,824,390	68	7,596,308	64
s51	OTHERS	15,499	0	0	0
s19	OTHER ASSETS	28,254,630	100	32,600,988	100
s84	INTANGIBLE ASSET FROM LABOR OBLIGATIONS	19,862,751	70	23,862,272	73
s85	DERIVATIVE FINANCIAL INSTRUMENTS	0	0	0	0
s50	DEFERRED TAXES	5,951,994	21	6,126,480	19
s86	DISCONTINUED OPERATIONS	0	0	0	0
s87	OTHER	2,439,885	9	2,612,236	8
s21	CURRENT LIABILITIES	43,415,166	100	50,043,887	100
s52		5,140,539	12	16,941,278	34

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	FOREIGN CURRENCY LIABILITIES				
s53	MEXICAN PESOS LIABILITIES	38,274,627	88	33,102,609	66
s26	OTHER CURRENT LIABILITIES	32,674,906	100	30,496,686	100
s88	DERIVATIVE FINANCIAL INSTRUMENTS	1,162,432	4	1,339,821	4
s89	INTEREST LIABILITIES	1,481,085	5	2,021,813	7
s68	PROVISIONS	0	0	0	0
s90	DISCONTINUED OPERATIONS	0	0	0	0
s58	OTHER CURRENT LIABILITIES	30,031,389	92	27,135,052	89
s27	LONG-TERM LIABILITIES	92,646,190	100	79,479,118	100
s59	FOREIGN CURRENCY LIABILITIES	82,696,190	89	71,210,978	90
s60	MEXICAN PESOS LIABILITIES	9,950,000	11	8,268,140	10
s31	DEFERRED LIABILITIES	0	0	0	0
s65	GOODWILL	0	0	0	0
s67	OTHERS	0	0	0	0
s32	OTHER NON CURRENT LIABILITIES	18,145,610	100	18,326,751	100
s66	DEFERRED TAXES	15,861,444	87	16,244,603	89
s91	OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE	2,284,166	13	2,082,148	11
s92	DISCONTINUED OPERATIONS	0	0	0	0
s69	OTHER LIABILITIES	0	0	0	0
s79	CAPITAL STOCK	26,651,116	100	28,599,718	100
s37	CAPITAL STOCK (NOMINAL)	254,220	1	281,757	1
s38	RESTATEMENT OF CAPITAL STOCK	26,396,896	99	28,317,961	99
s42	RETAINED EARNINGS AND CAPITAL RESERVES	122,114,249	100	126,675,508	100

s93	LEGAL RESERVE	20,680,921	17	19,652,926	16
s43	RESERVE FOR REPURCHASE OF SHARES	0	0	0	0
s94	OTHER RESERVES	0	0	0	0
s95	RETAINED EARNINGS	80,992,695	66	86,262,834	68
s45	NET INCOME FOR THE YEAR	20,440,633	17	20,759,748	16
s44	OTHER ACCUMULATED COMPREHENSIVE RESULT	(69,094,935)	100	(67,757,480)	100.00
s70	ACCUMULATED MONETARY RESULT	(14,361,717)	21	(14,361,717)	21
s71	RESULT FROM HOLDING NON-MONETARY ASSETS	(58,405,405)	85	(58,829,374)	87
s96	CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION	3,848,952	(6)	3,963,704	(6)
s97	CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS	386,431	(1)	346,254	(1)
s98	CUMULATIVE EFFECT OF DEFERRED INCOME TAXES	(563,196)	1	1,123,653	(2)
s99	LABOR OBLIGATION ADJUSTMENT	0	0	0	0
s100	OTHERS	0	0	0	0

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-03

CONSOLIDATED BALANCE SHEETS

- OTHER CONCEPTS -

(Thousands of Mexican Pesos)

REF S	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
		Amount	Amount
s57	OTHER CURRENT LIABILITIES WITH COST (s26)	0	0
s63	OTHER LOANS WITH COST (s32)	0	0
s72	WORKING CAPITAL	21,057,663	15,007,029
s73	PENSIONS FUND AND SENIORITY PREMIUMS	0	0
s74	EXECUTIVES (*)	119	127
s75	EMPLOYEES (*)	24,698	27,590
s76	WORKERS (*)	50,730	51,301
s77	OUTSTANDING SHARES (*)	20,337,607,170	22,540,581,570
s78	REPURCHASE OF OWN SHARER(*)	1,707,475,100	1,088,322,740
s101	RESTRICTED CASH (1)	0	0
s102	DEBT WITH COST OF AFFILIATES NON CONSOLIDATED	0	0

(*) THESE CONCEPTS SHOULD BE EXPRESSED IN UNITS.

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

NOTE:

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

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-04

CONSOLIDATED STATEMENTS OF INCOME

- FROM JANUARY 01 TO SEPTEMBER 30, 2006 & 2005 -

(Thousands of Mexican Pesos)

Final printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
r01	OPERATING REVENUES	128,088,648	100	127,374,830	100
r02	COST OF SALES AND SERVICES	67,396,838	53	68,644,788	54
r03	GROSS INCOME	60,691,810	47	58,730,042	46
r04	OPERATING EXPENSES	24,960,624	19	21,520,694	17
r05	OPERATING INCOME	35,731,186	28	37,209,348	29
r06	COMPREHENSIVE FINANCING COST	3,786,373	3	3,372,336	3
r07	INCOME AFTER COMPREHENSIVE FINANCING COST	31,944,813	25	33,837,012	27
r08	OTHER EXPENSES AND INCOMES (NET)	0	0	0	0
r44	SPECIAL ITEMS	0	0	0	0
r09	INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING	31,944,813	25	33,837,012	27
r10	PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING	11,528,603	9	12,230,488	10

r11	NET INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING	20,416,210	16	21,606,524	17
r12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES	315,905	0	(62,361)	0
r13	CONSOLIDATED NET INCOME OF CONTINUING OPERATIONS	20,732,115	16	21,544,163	17
r14	INCOME FROM DISCONTINUED OPERATIONS (NET)	0	0	0	0
r15	CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS	20,732,115	16	21,544,163	17
r16	EXTRAORDINARY ITEMS, NET EXPENSE (INCOME)	0	0	0	0
r17	NET EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	0	0	0	0
r18	NET INCOME	20,732,115	16	21,544,163	17
r19	NET INCOME OF MINORITY INTEREST	291,482	0	784,415	1
r20	NET INCOME OF MAYORITY INTEREST	20,440,633	16	20,759,748	16

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-05

CONSOLIDATED STATEMENTS OF INCOME

- BREAKDOWN OF MAIN CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR		QUARTER OF PREVIOUS FINANCIAL YEAR	
		Amount	%	Amount	%
r01	OPERATING REVENUES	128,088,648	100	127,374,830	100
r21	DOMESTIC	90,984,347	71	93,395,632	73
r22	FOREIGN	37,104,301	29	33,979,198	27
r23	TRANSLATION INTO DOLLARS (***)	3,357,795	3	2,992,421	2
r06	COMPREHENSIVE FINANCING COST	3,786,373	100	3,372,336	100
r24	INTEREST EXPENSE	5,295,973	140	5,851,464	174
r42	LOSS (GAIN) ON RESTATEMENT OF UDI'S	0	0	0	0
r45	OTHER FINANCIAL COSTS	0	0	0	0
r26	INTEREST INCOME	1,586,320	42	3,274,709	97
r46	OTHER FINANCIAL PRODUCTS	0	0	0	0
r25	FOREIGN EXCHANGE LOSS (GAIN) (NET)	1,469,546	39	1,952,477	58
r28	RESULT FROM MONETARY POSITION	(1,392,826)	(37)	(1,156,896)	(34)

r10	PROVISION FOR INCOME TAX AND EMPLOYEE PROFIT SHARING	11,528,603	100	12,230,488	100
r32	INCOME TAX	10,658,145	92	12,078,214	99
r33	DEFERRED INCOME TAX	(1,343,350)	(12)	(2,202,892)	(18)
r34	EMPLOYEE PROFIT SHARING	2,213,808	19	2,355,166	19
r35	DEFERRED EMPLOYEE PROFIT SHARING	0	0	0	0
(***) THOUSAND DOLLARS					

MEXICAN STOCK EXCHANGE

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STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-06

CONSOLIDATED STATEMENTS OF INCOME

- OTHER CONCEPTS -

(Thousands of Mexican Pesos)

Final printing

REF R	CONCEPTS	QUARTER OF PRESENT FINANCIAL YEAR	QUARTER OF PREVIOUS FINANCIAL YEAR
		Amount	Amount
r36	TOTAL REVENUES	128,088,648	127,374,830

r37	TAX RESULT FOR THE YEAR	0	0
r38	OPERATING REVENUES (**)	171,353,073	171,169,367
r39	OPERATING INCOME (**)	65,203,029	50,457,714
r40	NET INCOME OF MAJORITY INTEREST (**)	29,190,843	31,871,387
r41	NET INCOME (**)	29,555,485	32,981,289
r47	OPERATIVE DEPRECIATION AND ACCUMULATED	16,758,216	17,976,797
(**)			
INFORMATION OF THE PAST TWELVE MONTHS			

MEXICAN STOCK EXCHANGE

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SIFIC/ICS

STOCK EXCHANGE CODE: TELMEX QUARTER: 3 YEAR: 2006

TELÉFONOS DE MÉXICO, S.A. DE C.V.

FS-07

CONSOLIDATED QUARTERLY STATEMENTS OF INCOME

- FROM JULY 01 TO SEPTEMBER 30, 2006 & 2005 -

(Thousands of Mexican Pesos)

Final printing

REF RT	CONCEPTS	QUARTER OF PRESENT		QUARTER OF PREVIOUS	
		FINANCIAL YEAR		FINANCIAL YEAR	
		Amount	%	Amount	%
rt01	OPERATING REVENUES	43,261,814	100	43,037,488	100
rt02	COST OF SALES AND SERVICES	22,411,833	52	22,978,938	53
rt03	GROSS INCOME	20,849,981	48	20,058,550	47

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rt04	OPERATING EXPENSES	10,210,847	24	7,033,963	16
rt05	OPERATING INCOME	10,639,134	25	13,024,587	30
rt06	COMPREHENSIVE FINANCING COST	1,729,800	4	1,635,854	4
rt07	INCOME AFTER COMPREHENSIVE FINANCING COST	8,909,334	21	11,388,733	26
rt08	OTHER EXPENSES AND INCOMES (NET)	0	0	0	0
rt44	SPECIAL ITEMS	0	0	0	0
rt09	INCOME BEFORE INCOME TAX AND EMPLOYEE PROFIT SHARING	8,909,334	21	11,388,733	26
rt10	PROVISIONS FOR INCOME TAX AND EMPLOYEE PROFIT SHARING	3,330,206	8	3,792,574	9
rt11	NET INCOME AFTER INCOME TAX AND EMPLOYEE PROFIT SHARING	5,579,128	13	7,596,159	18
rt12	EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND AFFILIATES	153,843	0	(16,619)	0
rt13	CONSOLIDATED NET INCOME OF CONTINUING OPERATIONS	5,732,971	13	7,579,540	18
rt14	INCOME FROM DISCONTINUED OPERATIONS (NET)	0	0	0	0
rt15	CONSOLIDATED NET INCOME BEFORE EXTRAORDINARY ITEMS	5,732,971	13	7,579,540	18
rt16	EXTRAORDINARY ITEMS, NET EXPENSE (INCOME)	0	0	0	0
rt17	NET EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	0	0	0	0
rt18	NET INCOME				