



## 4Q'08 Webcast

February 18, 2009

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# Where Telmex Internacional is now\_

## Telmex Internacional presence,

Seven countries

Population of 338 million inhabitants

94 million homes

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## At the end of December,

- Fixed lines 6 million
- Broadband subscribers 2.8 million,
- Pay TV services 6.1 million,

## Solid Progress RGU's

- Brazil from 8.2 to 11.8 million, grew 44.8%\_
- Colombia from 1.9 to 2.6 million, grew 34.4%



# Where Telmex Internacional is now

**At the end of December 2008,**

**We had 15.2 million RGUs, that represents a 46% increase compared with the previous year.**

**Not only are we growing but we also are generating a bigger proportion of revenues from new services like data and cable. The proportion of revenues from those market segments represented 33% of total 2008 revenues.**

**At the same time, long distance service at year- end represented 42% of revenues.**

# 2008 New Product Launches



**In Chile and Peru,**  
our product launches have focused on the residential market, particularly 3Play services. In Peru as well we launched satellite TV.

**In Colombia,**  
We began offering customers advanced TV services like video on demand and digital video recording.

Also we began Phase 2 of our videoconference service and launched long distance services and expanded our data center and e-business capabilities.

**In Brazil,**  
we introduced DTH services under the Via Embratel brand in December.

# Consolidated 4Q'08 financial results

Total consolidated **revenues** were 19.5 billion pesos, an increase of 15% in nominal terms and 12% in constant pesos as of December 2007.

Based on applicable accounting principles of each country, revenue growth was:

- Brazil 16%
- Colombia 59%
- Argentina 6%
- Chile 40%
- Peru 26%

**EBITDA** increased 4.3 billion pesos in the fourth quarter, that represented a gain of 8.2% in nominal terms and 5.2% in constant pesos as of December 2007.

Comprehensive financing produced a cost of 1.4 billion pesos.

**Net income** totaled 1.3 billion pesos, up 16,4% in nominal terms and 13.6% in constant pesos as of December 2007.\_

# Capex

**For the twelve months,**

**Investments totaled 1.6 billion dollars,**

- **Brazil 61.2%**
- **Colombia 14.4%**
- **Rest of the countries 24.4%**

**We continue to act on growth opportunities, and we have the ability to increase investments when we identify particularly attractive prospects.**

**For 2009, we are looking at investments of 1.1 billion dollars.**

**Not only do you see us investing in markets where we have good growth opportunities but we also take a conservative approach to managing our financial foundation.**

# Debt

**Consolidated debt was 1.9 billion dollars, of which 53% is in dollars.**

**To minimize risk related to currency fluctuation, at year-end we had hedges covering the equivalent of 217 million dollars, which equals 22% of the debt in dollars.**

**Net debt totaled the equivalent of 1.3 billion dollars.**

# Brazil

In 4Q'08,

Revenues grew 16% explained by:

- Local 30%
- Data 22%
- DLD 12%

EBITDA increased 22% with a margin of 24.4%.

Operating income increased 11% with a margin of 10.1%.

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Line equivalents increased 40%.

DLD minutes increased 6%.

Net Fone served about 1.8 million customers.



The network currently passes:  
passes:

9.8 million homes  
74% is bi-directional.

# Colombia

**Our network passes :**

- **4.7 million homes**
- **47% is bidirectional**

**RGUs increased 34%, ending the period at 2.6 million.**

**These results benefited from our focus on the voice and data business, especially in the corporate and small and medium-sized business markets.**

**Revenues increased 59%.**

**Total costs and expenses were up 58%.**



# Chile

**Revenues increased 40%**

**Almost 36% of our revenues came from pay TV services.**

**We also saw strong contributions from corporate networks, Internet access, and local services.**

**RGUs totaled 429 thousand compared with 140 thousand in the 2007 period.**

**The pay TV business contributed to increases in costs as we invest in advertising and commissions related to the sale of those services as well as in broader network and customer growth initiatives.**



# Peru and Argentina

Revenues grew :

**Peru 25%**

**Argentina 6%**

**RGUs increased 75% totaling 259 thousand**



# Closing Remarks

We are making significant progress in expanding our market presence.

Despite the adverse economic situation, **the company will continue to invest in the region** because it is convinced that there is demand for the product portfolio and has provided the ability to manage the risks involved.

Just as important, we are solidifying **Telmex Internacional's position as an integrated telecommunications provider** with a strong, reliable multi-service platform to support our capabilities in diverse market segments.

We can use the **experience we gain** in one market to enhance our presence in others.

Our portfolio of products and **strong network are important advantages** for customers. As a result, we are increasing our “share of wallet” from customers’ total telecommunications expenditures.

# Closing Remarks

**Our growth strategy is well defined to match strengths with market opportunities.**

- **In the residential market we emphasize voice, broadband and TV.**
- **Our presence in the SME market focuses on broadband and voice.**
- **In the corporate market we will continue to offer value added services.**

**In this way we are confident that TELMEX Internacional will continue to make good progress and grow in a profitable manner.\_**



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