

The Depository Trust Company

IMPORTANT

B#: 1196

DATE: December 29, 2000

TO: All participants

CATEGORY: Dividends

FROM: Susan Mayham, Supervisor, Dividend Department

ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers

SUBJECT: Procedures for certain tax refunds - Mexico
Subject: Telefonos de Mexico,S.A. CUSIP: 879403707
Record Date: 12/20/00 Paydate: 12/29/00

The Depository Trust Company has received from Morgan ADR / Globe Tax Services the attached information in regards for certain tax refunds on the above captioned dividend.

As directed in the notice, participants who have qualified beneficial holders who expected to benefit from Morgan ADR / Globe Tax Services procedure should secure the required documentation.

The Deadline date for submission of the documentation is January 17, 2001. Any questions regarding the procedure should be directed to Morgan ADR / Globe Tax Services at 800-929-5484.