



Third Quarter 2005 Results

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~~During~~ During the 3Q05, Alestra's long distance network handled a total of 1,075 million of minutes of use (MMOU), a 9.7% increase over the 980 MMOU reached during the previous quarter and 16.2% higher than the 925 MMOU reached during the same period of 2004.

Revenues for the third quarter of 2005 reached US\$ 96 million, 7.9% higher than the US\$ 89 million reported in the previous quarter but 12.6% lower than the US\$ 110 million reached in 3Q04, as a result of the reduction in international long distance rates.

Non-long distance services such as data, internet and local, continued growing during the quarter and reached US\$ 45 million, 3% higher than the US\$ 43 million in 2Q05 and 28% higher than the US\$ 35 million in 3Q04. This increase was primarily due to the sustained growth in internet and local services. As a percentage of total revenues, these services represented 46% during 3Q05, versus the 49% in 2Q05 and 32% in 3Q04.

Operating expenses reached US\$ 32 million in 3Q05, in line with the previous quarter, but slightly higher than the US\$ 31 million of 3Q04.

3Q05 EBITDA amounted to US\$ 26 million, compared to the US\$ 26 million and US\$ 23 million reached in 2Q05 and 3Q04, respectively.

During 3Q05 Alestra recorded a net loss of Ps. 43 million.

Cash and temporary investments amounted to US\$ 93 million at the end of 3Q05, 29% higher than the US\$ 73 million in 2Q05.

At the end of 3Q05 the net debt was US\$ 311 million, which favorably compares to the US\$ 323 million reported at the end of the previous quarter. The reduction in net debt was mainly due to the cash flow of the quarter.

Capital expenditures during the nine-month period ended September 30, 2005 amounted to US\$ 22 million.