

FINANCIAL STATEMENTS DATA

Income statement data

For the quarters ended September 30, 2004 and 2003

(Adjusted for inflation and expressed in millions of constant bolivars as of September 30, 2004, and millions of US dollars, except per share amounts)

	Bs. 2004	% of total operating revenues	Bs. 2003	% of total operating revenues	US\$ 2004	US\$ 2003	% Increase (Decrease)
Operating Revenues							
Local services	226,912	21.8%	256,769	28.3%	118	134	(11.6%)
Domestic long distance usage	76,256	7.3%	78,539	8.7%	40	41	(2.9%)
Total local and domestic long distance	303,168	29.1%	335,308	36.9%	158	175	(9.6%)
International long distance	28,858	2.8%	27,751	3.1%	15	14	4.0%
Net settlements	(731)	(0.1%)	5,875	0.6%	-	4	N.M.
Total international long distance	28,127	2.7%	33,626	3.7%	15	18	(16.4%)
Fixed to mobile - Outgoing	164,127	15.8%	162,514	17.9%	84	84	1.0%
Interconnection incoming	27,918	2.7%	17,053	1.9%	15	8	63.7%
Data revenues	102,183	9.8%	82,461	9.1%	53	43	23.9%
Other wireline-related services	53,145	5.1%	30,368	3.3%	28	16	75.0%
Total data revenues and other wireline-related services	155,328	14.9%	112,829	12.4%	81	59	37.7%
Total wireline services	678,668	65.2%	661,330	72.9%	353	344	2.6%
Mobile services	335,078	32.2%	219,208	24.1%	175	114	52.9%
Internet revenues	25,232	2.4%	22,111	2.4%	13	12	14.1%
Other telecommunications-related services	1,338	0.1%	5,133	0.6%	1	3	(73.9%)
Total operating revenues	1,040,316	100.0%	907,782	100.0%	542	473	14.6%
Operating Expenses							
Provision for uncollectibles	21,216	2.0%	21,964	2.4%	11	11	(3.4%)
Operations, maintenance, repairs and administrative	517,808	49.8%	421,815	46.5%	270	220	22.8%
Interconnection cost	101,517	9.8%	93,569	10.3%	53	49	8.5%
Concession and other taxes	59,839	5.8%	38,836	4.3%	31	20	54.1%
	700,380	67.3%	576,184	63.5%	365	300	21.6%
EBITDA	339,936	32.7%	331,598	36.5%	177	173	2.5%
EBITDA Margin	33%		37%		33%	37%	(400 bps)
Depreciation and amortization	204,027	19.6%	304,068	33.5%	106	159	(32.9%)
Total operating expenses	904,407	86.9%	880,252	97.0%	471	459	2.7%
Operating Income	135,909	13.1%	27,530	3.0%	71	14	393.7%
Other Expense, net							
Interest income	13,017	1.3%	25,594	2.8%	7	13	(49.1%)
Interest expense	(3,936)	(0.4%)	(10,033)	(1.1%)	(2)	(5)	(60.8%)
Exchange gain (loss), net	652	0.1%	(7,880)	(0.9%)	-	(4)	N.M.
Loss from net monetary position	(4,294)	(0.4%)	(6,051)	(0.7%)	(2)	(3)	(29.0%)
Net financing benefit	5,439	0.5%	1,630	0.2%	3	1	233.7%
Other	(14,618)	(1.4%)	(45,572)	(5.0%)	(8)	(24)	(67.9%)
	(9,179)	(0.9%)	(43,942)	(4.8%)	(5)	(23)	(79.1%)
Income (Loss) before Income Taxes	126,730	12.2%	(16,412)	(1.8%)	66	(9)	N.M.
Income Tax	12,641	1.2%	13,237	1.5%	6	6	(4.5%)
Minority Interest	(410)	(0.0%)	(377)	(0.0%)	-	-	8.8%
Net Income (Loss)	114,499	11.0%	(29,272)	(3.2%)	60	(15)	N.M.
Earnings (Loss) per Share	148	0.0%	(38)	0.0%	0.080	(0.020)	N.M.
Earnings (Loss) per ADS (based on 7 shares per ADS)	1,033	0.0%	(264)	0.0%	0.54	(0.14)	N.M.
Average Shares Outstanding (in millions)	776		776		776	776	

Income statement data

For the nine-month period ended September 30, 2004 and 2003

(Adjusted for inflation and expressed in millions of constant bolivars as of September 30, 2004, and millions of US dollars, except per share amounts)

	Bs. 2004	% of total operating revenues	Bs. 2003	% of total operating revenues	US\$ 2004	US\$ 2003	% Increase (Decrease)
Operating Revenues							
Local services	702,099	23.9%	755,486	28.2%	366	393	(7.1%)
Domestic long distance usage	223,770	7.6%	218,471	8.1%	116	114	2.4%
Total local and domestic long distance	925,869	31.5%	973,957	36.3%	482	507	(4.9%)
International long distance	85,291	2.9%	84,657	3.2%	45	44	0.7%
Net settlements	(3,331)	(0.1%)	12,883	0.5%	(2)	7	N.M.
Total international long distance	81,960	2.8%	97,540	3.6%	43	51	(16.0%)
Fixed to mobile - Outgoing	474,632	16.1%	483,141	18.0%	247	252	(1.8%)
Interconnection incoming	67,656	2.3%	60,867	2.3%	36	32	11.2%
Data revenues	282,916	9.6%	240,937	9.0%	147	125	17.4%
Other wireline-related services	111,187	3.8%	95,900	3.6%	58	50	15.9%
Total data revenues and other wireline-related services	394,103	13.4%	336,837	12.6%	205	175	17.0%
Total wireline services	1,944,220	66.1%	1,952,342	72.8%	1,013	1,017	(0.4%)
Mobile services	904,159	30.7%	622,821	23.2%	471	324	45.2%
Internet revenues	73,242	2.5%	63,795	2.4%	38	33	14.8%
Other telecommunications-related services	20,296	0.7%	41,954	1.6%	10	22	(51.6%)
Total operating revenues	2,941,917	100.0%	2,680,912	100.0%	1,532	1,396	9.7%
Operating Expenses							
Provision for uncollectibles	62,781	2.1%	77,070	2.9%	33	40	(18.5%)
Operations, maintenance, repairs and administrative	1,407,078	47.8%	1,175,846	43.9%	733	613	19.7%
Interconnection cost	284,588	9.7%	330,467	12.3%	148	172	(13.9%)
Concession and other taxes	172,900	5.9%	152,282	5.7%	90	79	13.5%
	1,927,347	65.5%	1,735,665	64.7%	1,004	904	11.0%
EBITDA	1,014,570	34.5%	945,247	35.3%	528	492	7.3%
EBITDA Margin	34%		35%		34%	35%	(100 bps)
Depreciation and amortization	711,081	24.2%	899,193	33.5%	370	468	(20.9%)
Total operating expenses	2,638,428	89.7%	2,634,858	98.3%	1,374	1,372	0.1%
Operating Income	303,489	10.3%	46,054	1.7%	158	24	559.0%
Other Income (Expense), net							
Interest income	38,974	1.3%	46,384	1.7%	20	24	(16.0%)
Interest expense	(14,254)	(0.5%)	(32,489)	(1.2%)	(7)	(17)	(56.1%)
Exchange gain (loss), net	334	0.0%	(44,365)	(1.7%)	-	(23)	N.M.
(Loss) gain from net monetary position	(15,643)	(0.5%)	21,792	0.8%	(8)	11	N.M.
Net financing benefit (cost)	9,411	0.3%	(8,678)	(0.3%)	5	(5)	N.M.
Other	(8,480)	(0.3%)	(49,781)	(1.9%)	(4)	(25)	(83.0%)
	931	0.0%	(58,459)	(2.2%)	1	(30)	N.M.
Income (Loss) before Income Taxes	304,420	10.3%	(12,405)	(0.5%)	159	(6)	N.M.
Income Tax	43,583	1.5%	30,788	1.1%	24	17	41.6%
Minority Interest	945	0.0%	605	0.0%	-	-	56.2%
Net Income (Loss)	259,892	8.8%	(43,798)	(1.6%)	135	(23)	N.M.
Earnings (Loss) per Share	335	0.0%	(56)	0.0%	0.17	(0.03)	N.M.
Earnings (Loss) per ADS (based on 7 shares per ADS)	2,344	0.0%	(395)	0.0%	1.22	(0.21)	N.M.
Average Shares Outstanding (in millions)	776		776		776	776	

Balance sheet data

As of September 30, 2004 and December 31, 2003

(Adjusted for inflation and expressed in millions of constant bolivars as of September 30, 2004, and millions of US dollars)

	September 30, 2004	December 31, 2003	US\$ 2004	US\$ 2003
<u>Assets</u>				
Current Assets:				
Cash and temporary investments	798,047	816,633	416	425
Accounts receivable, net of provision for uncollectibles of Bs. 89,572 and Bs. 95,551	468,955	498,168	244	259
Accounts receivable from Venezuelan Government entities	196,000	133,301	102	69
Inventories and supplies, net	165,297	84,136	86	44
Other	55,563	58,180	29	31
Total current assets	1,683,862	1,590,418	877	828
Property, plant and equipment, net of accumulated depreciation of Bs. 15,484,861 and Bs. 15,781,186	3,986,102	4,286,943	2,076	2,233
Cellular concession, net	180,257	185,144	94	96
Accounts receivable from Venezuelan Government entities	29,444	27,914	15	15
Other	338,899	427,004	177	222
Total assets	6,218,564	6,517,423	3,239	3,394
<u>Liabilities and Stockholders' Equity</u>				
Current Liabilities:				
Short-term debt	129,938	229,426	68	119
Accounts payable	553,350	466,938	288	243
Employee severance benefits, net	143,620	87,653	75	46
Short-term pension and other post-retirement benefits obligations	85,304	87,046	44	45
Concession tax	55,650	56,246	29	29
Subscriber rights	72,961	77,732	38	40
Deferred revenue	108,847	141,418	57	74
Income, value added and other taxes	42,083	70,623	22	37
Dividends payable	15,023	-	8	-
Other	137,941	76,158	71	41
Total current liabilities	1,344,717	1,293,240	700	674
Long-Term Liabilities:				
Long-term debt	83,000	211,090	43	110
Commitments and contingencies	47,657	38,136	25	20
Pension plan	271,670	311,098	141	162
Post-retirement benefit obligations	428,477	427,293	224	221
Total liabilities	2,175,521	2,280,857	1,133	1,187
Minority Interests	3,517	3,138	2	2
Stockholders' Equity	4,039,526	4,233,428	2,104	2,205
Total liabilities and stockholders' equity	6,218,564	6,517,423	3,239	3,394

Cash flow data

For the nine-month period ended September 30, 2004 and 2003

(Adjusted for inflation and expressed in millions of constant bolivars as of September 30, 2004, and millions of US dollars)

	Bs. 2004	Bs. 2003	US\$ 2004	US\$ 2003
Operating activities:				
Net income (loss)	259,892	(43,798)	135	(23)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Loss (gain) from net monetary position	15,643	(21,792)	8	(11)
Exchange (gain) loss, net	(334)	44,365	-	23
Depreciation and amortization	711,081	899,193	370	468
Provision for uncollectibles	62,781	77,070	33	40
Provision for obsolescence of wireless network equipment	24,481	6,629	13	3
Provision for contingencies	46,363	45,013	24	23
Changes in current assets and liabilities	(41,699)	2,197	(22)	3
Changes in non current assets and liabilities	(44,106)	(1,062)	(22)	(1)
Net cash provided by operating activities	1,034,102	1,007,815	539	525
Investing activities:				
Software and systems	2,651	(7,093)	1	(4)
Capital expenditures, net of disposals	(326,824)	(92,594)	(170)	(48)
Net cash used in investing activities	(324,173)	(99,687)	(169)	(52)
Free cash flow	709,929	908,128	370	473
Financing activities:				
Payments of debt	(223,814)	(112,079)	(117)	(59)
Dividend payments	(454,238)	(413,258)	(236)	(215)
Purchase of shares for the Employee Benefit Fund	(269)	(811)	-	-
Net cash used in financing activities	(678,321)	(526,148)	(353)	(274)
Increase in cash and temporary investments before loss in purchasing power of cash and temporary investments and foreign exchange gain of cash and temporary investments	31,608	381,980	17	199
Loss in purchasing power of cash and temporary investments	(78,256)	(119,650)	(41)	(62)
Foreign exchange gain of cash and temporary investments	28,062	70,649	15	37
(Decrease) increase in cash and temporary investments	(18,586)	332,979	(9)	174
Cash and temporary investments:				
Beginning of period	816,633	658,881	425	343
End of period	798,047	991,860	416	517

Reconciliation of Non-GAAP financial measures

(In millions of constant bolivars as of September 30, 2004)

For the quarters ended September 30, 2004 and 2003

	Bs. 2004	Bs. 2003	US\$ 2004	US\$ 2003
EBITDA				
Net income (loss)	114,499	(29,272)	60	(15)
Plus: Income tax	12,641	13,237	6	6
Plus: Minority interest	(410)	(377)	-	-
Minus: Other expense, net	(9,179)	(43,942)	(5)	(23)
Plus: Depreciation and amortization	204,027	304,068	106	159
EBITDA	339,936	331,598	177	173
EBITDA Margin				
EBITDA	= 339,936	331,598	177	173
Total operating revenues	1,040,316	907,782	542	473
EBITDA Margin	33%	37%	33%	37%

For the nine-month period ended September 30, 2004 and 2003

	Bs. 2004	Bs. 2003	US\$ 2004	US\$ 2003
EBITDA				
Net income (loss)	259,892	(43,798)	135	(23)
Plus: Income tax	43,583	30,788	24	17
Plus: Minority interest	945	605	-	-
Minus: Other income (expense), net	931	(58,459)	1	(30)
Plus: Depreciation and amortization	711,081	899,193	370	468
EBITDA	1,014,570	945,247	528	492
EBITDA Margin				
EBITDA	= 1,014,570	945,247	528	492
Total operating revenues	2,941,917	2,680,912	1,532	1,396
EBITDA Margin	34%	35%	34%	35%
Free Cash Flow				
Net cash provided by operating activities	1,034,102	1,007,815	539	525
Minus: Net cash used in investing activities	(324,173)	(99,687)	(169)	(52)
Free cash flow	709,929	908,128	370	473

As of September 30, 2004 and December 31, 2003

	Sep 30, 2004 Bs.	Dec 31, 2003 Bs.	Sep 30, 2004 US\$	Dec 31, 2003 US\$
Net Cash Position				
Cash and temporary investments	798,047	816,633	416	425
Minus: Short-term debt	129,938	229,426	68	119
Minus: Long-term debt	83,000	211,090	43	110
Net cash position	585,109	376,117	305	196

COMPANY PROFILE

CANTV, a Venezuelan corporation, is the leading Venezuelan telecommunications services provider with approximately 2.9 million access lines in service, 2.7 million cellular subscribers and 325 thousand Internet subscribers as of September 30, 2004. The Company's principal strategic shareholder is a wholly owned subsidiary of Verizon Communications Inc. with 28.5% of the capital stock. Other major shareholders include the Venezuelan Government with 6.6% of the capital stock (Class B Shares), employees, retirees and employee trusts which own 7.4% (Class C Shares) and Telefónica de España, S.A. with 6.9%. Public shareholders hold the remaining 50.6% of the capital stock.

SAFE HARBOR:

This press release contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. Actual results could differ materially from those predicted in such forward-looking statements. Factors which may cause actual results to differ materially from those discussed herein include economic considerations that could affect demand for telecommunications services and the ability of the Company to make collections, inflation, regulatory factors, exchange controls and occurrences in currency markets, competition, labor relations, and the risk factors set forth in the Company's various filings with the Securities and Exchange Commission, including its most recently filed Annual Report on Form 20-F. The Company undertakes no obligation to revise these forward-looking statements to reflect events or circumstances after the date hereof, and claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

GLOSSARY OF KEY TERMS

ADSL:	Asymmetrical Digital Subscriber Lines.
ARPU:	Average monthly revenue per mobile user excluding handset sales, taxes and late-payment charges. This measurement is specific for the mobile business.
Bundled minutes:	Actual minutes used by the customer within the minutes allowed under variously priced monthly customer tariff plans that include a maximum number of allowed minutes within the monthly tariff.
Cash earnings:	Net income (loss) adjusted for non cash items or adjustments to reconcile net income (loss) to net cash provided by operating activities.
Cash operating expenses:	Operating expenses excluding depreciation and amortization.
EBITDA:	Earnings before interest, taxes, depreciation and amortization, equivalent to operating income plus depreciation and amortization.
EBITDA margin:	EBITDA as a percent of total operating revenues.
EPADS:	Earnings per ADS.
Free cash flow (FCF):	Cash flow from operating activities minus cash used in investing activities.
IXC:	Interconnection.
Net cash position:	Cash and temporary investments minus short-term and long-term debt.
SMS:	Short text mobile messaging service.
Total debt:	Short-term plus long-term debt.
Unbundled minutes:	Minutes in excess of the limits set forth in a specific monthly customer tariff plan that are billed to the customer on a per minute basis in addition to the basic monthly tariff plan that the customer has selected.