

Highlights:

- » Video subscribers grew 5% compared to 4Q15 and 19% compared to 1Q15, with net additions of 477 thousand and 133 thousand, respectively.
- » EBITDA margin for the Cable operations was 47.1% in 1Q16, reaching Ps. 1,664 million and consolidated EBITDA margin was 43.6%, reaching Ps. 1,768 million.
- » Net income for the quarter rose 32% to Ps. 1,021 million year-over-year.

Guadalajara, Jalisco, Mexico, April 25, 2016 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV:MEGA.CPO) announced today its results for the first quarter of 2016 (1Q16). Figures were prepared in accordance with International Financial Reporting Standards (IFRS). All figures are expressed in thousands of Mexican pesos (Ps.), unless otherwise indicated.

Consolidated Financial Results:

	1Q16	1Q15	% Var
Financial Figures			
Income	4,059,264	3,338,823	21.6%
EBITDA	1,768,373	1,464,010	20.8%
EBITDA Margin	43.6%	43.8%	
Non-Controlling interest	1,021,027	775,307	31.7%
Cash and short-term investments	4,183,492	4,268,250	(2.0%)
Net Debt	(284,159)	(1,309,908)	(78.3%)
CAPEX	806,098	757,775	6.4%
Mkt. Cap (Millones Ps.)	61,601	51,333	20.0%
Subscribers			
Video	2,967,443	2,490,689	19.1%
Internet	1,924,580	1,453,640	32.4%
Telephony	911,112	760,284	19.8%
Other Data			
Home Passed	7,542,980	7,208,416	4.6%
Network Kilometers	51,939	49,469	5.0%
Employees	16,139	15,117	6.8%

For more information please visit:
<http://inversionistas.megacable.com.mx>

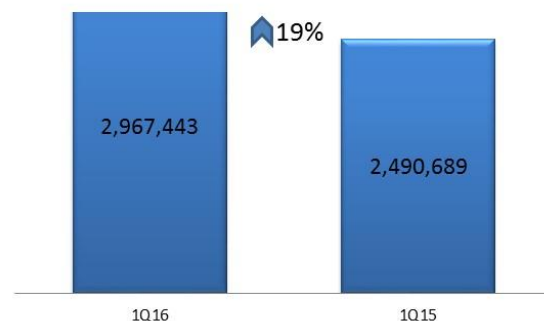
Investor Relations Contact:
Saúl Alonso Gil Peña, Investor Relations Officer
Megacable Holdings S.A.B. de C.V.
Tel. + (5233) 3750 0042 ext. 61091
investor.relations@megacable.com.mx

Video Subscribers

Video subscribers reached 2,967,443 in 1Q16, adding over 133 thousand net subscribers, or 5% more than in 4Q15. In addition, the Company reported a 19% subscriber growth, or 477 thousand compared to 1Q15.

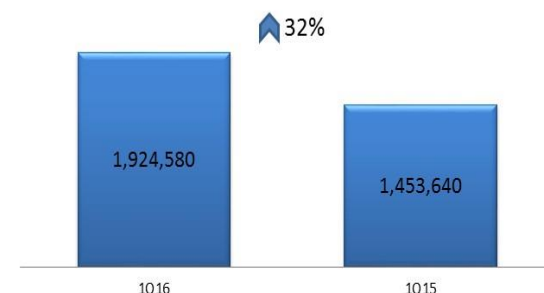
It is important to highlight that the Company registered 57% growth in net adds in 1Q16 compared to 1Q15, mainly derived from a successful marketing strategy and the effect of the analog shut-off which increased the Company's sales during January.

Digital subscribers reached 82 thousand subscribers, a growth of 4%, compared to 4Q15 and 23%, or 393 thousand subscribers, compared to 1Q15. Furthermore, the Company placed in the market more than 2.1 million digital boxes and approximately 2.3 million additional boxes.



Internet Subscribers

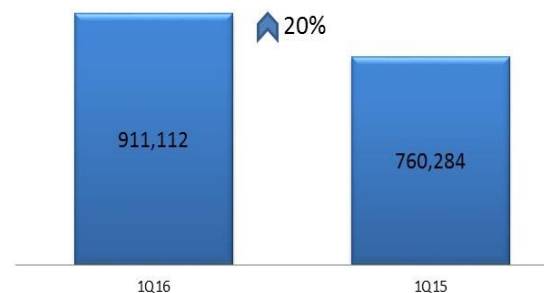
At the close of 1Q16, the internet segment reported 1,924,580 subscribers, up 5% or approximately 94 thousand net adds, compared to 4Q15. Furthermore, when compared to 1Q15, internet subscribers grew 32% or 471 thousand net adds, approximately.



Telephony Subscribers

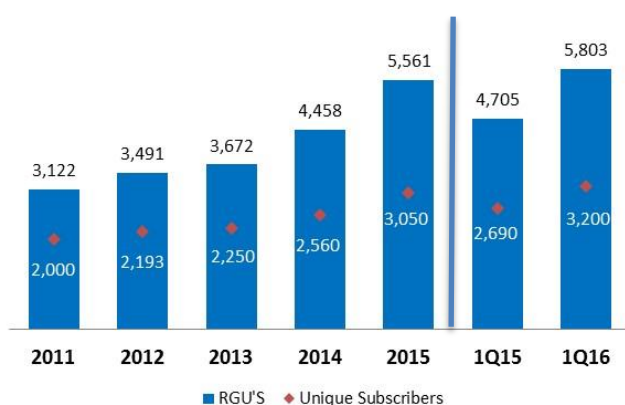
Telephony subscribers reached 911,112 in 1Q16, an increase of 2%, or 15 thousand additional subscribers, compared to 4Q15. Likewise, this figure grew 20%, or 151 thousand net adds, approximately, compared to 1Q15.

The increases were mainly the result of packaging of telephony products along with other services, which allowed the Company to strengthen its participation in a slower market.



Unique Subscribers and Revenue Generating Units (RGU's)

During 1Q16, RGU's reached 5,803,135, an increase of 4% compared to 4Q15 and 23% compared to 1Q15, driven by growth in the various segments. As a result, RGU's per unique subscriber reached 1.81. Unique subscribers totaled 3,199,876 subscribers, up 5% and 19% compared to 4Q15 and 1Q15, respectively.



Churn Rate

The churn rate for the video segment remained flat at 2.4%; internet grew from 2.5% in 1Q15 to 2.8% in 1Q16, up 30 basis points, while telephony increased 130 basis points, from 4.6% in 1Q15 to 5.9% in 1Q16.; the churn increases was significantly influenced by the Company's aggressive marketing campaigns and the Easter holidays that took place during March.

	1Q16	1Q15	4Q15
Monthly average churn rate			
Video	2.4%	2.4%	2.3%
Internet	2.8%	2.5%	2.6%
Telephony	5.9%	4.6%	5.2%

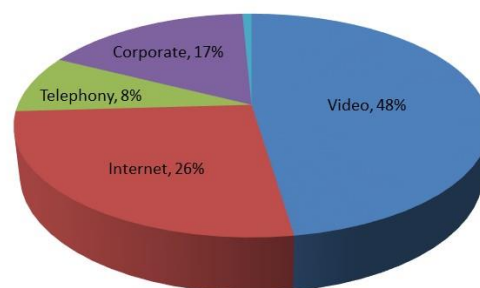
Revenues

Total revenues rose 22% to Ps. 4,059 million in 1Q16. The figures in this report for Video, Internet and Telephony reflect revenues from the mass market while corporate revenues are included in the corporate segment.

This growth in revenues was mainly due to the RGU's registered during the quarter, which were offset by the decline in individual ARPU's and the sales mix or from the reduced unitary telephony revenues.

Due to the elimination of the long distance rate, a decline of interconnection revenues, and a reduction in the mobile phone call rate, telephony subscribers grew significantly more than revenues.

	1Q16	1Q15	%Var
Video	1,932,700	1,671,451	16%
Internet	1,073,788	789,445	36%
Telephony	340,629	334,659	2%
Corporate	682,206	519,197	31%
Other	29,942	24,071	24%
Total	4,059,264	3,338,823	22%



ARPU

ARPU per unique subscriber in 1Q16 declined less than 1% compared to 1Q15 reaching Ps. 353.7, and declined 3% compared to 4Q15. This was mainly due to the Easter holiday impact as well as to sales mix derived from the analog shut-off.

Video ARPU decreased 3%, compared to 1Q15, reaching Ps. 218.2.

Internet ARPU increased 1% compared to 1Q15, reaching Ps. 188.2.

Telephony ARPU declined 16%, compared to 1Q15, due to the application of the new telecommunications regulation, which affected revenues in this segment, and the elimination of some items as above mentioned.

	1Q16	1Q15	% Var	4Q15	% Var
ARPU (1) (Ps.)					
Unique subscribers of cable	353.7	355.1	0%	363.8	-3%
Video	218.2	225.7	-3%	224.2	-3%
Internet	188.2	185.8	1%	188.2	0%
Telephony	125.2	149.3	-16%	130.7	-4%

Notes:

- (1) ARPU, or average revenue per unit for each segment, is the result of calculating total revenue per each segment for the period, divided by the average number of subscribers.
- (2) Starting in 2Q15, the Company decided to include for the calculation of this indicator, only revenues from the mass market, in order to avoid any distortion of ARPU per unique subscriber.

Corporate Segment Revenues

	1Q16	1Q15	%Var
Metrocarrier	152,741	89,752	70%
PCTV	61,491	135,408	-55%
HO1A	301,999	145,907	107%
MCM	165,975	148,130	12%
Total	682,206	519,197	31%

Revenues from the corporate segment rose 31%, or Ps. 163 million compared to 1Q15, and contributed with 17% of the Company's total revenues. Ho1a, with the CFE project, contributed Ps. 302 million. Additionally, Metrocarrier grew 70% and MCM rose 12% compared to 1Q15. Regarding PCTV, it is important to mention that Cablecom and Grupo Hevi decided to negotiate directly with broadcasters, a situation was already contemplated by the Company.

Cost of Service

Cost of service increased 23% in the mass market during 1Q16, mainly due to programming, drop and transmission costs that were affected by a peso vs. dollar devaluation of 3 bsp, while costs for the corporate market grew 29%, mainly as a result of the CFE project, which is operated by Ho1a.

Operating and General Expenses

Operating and general expenses in the cable operations increased 23% compared to 1Q15, derived from expenses aiming to reinforce the Company's operation in order to continue growing.

EBITDA

Adjusted EBITDA for the cable operations reached Ps. 1,664 million in 1Q16, up 20% compared to 1Q15, with an adjusted EBITDA margin of 47.1%. Consolidated EBITDA margin was 43.6% in 1Q16, reaching Ps. 1,768 million, a 21% increase compared to 1Q15.

EBITDA growth in the corporate segment was 46% to Ps. 104 million in 1Q16, with an EBITDA margin of 20%, up 3 basis points compared to 17% in 1Q15. This was mainly due to the 23% revenue growth as well as operating cost efficiencies.

	1Q16	1Q15	%Var
CONSOLIDATED			
Consolidated operating profit	1,290,646	1,055,122	22%
Plus consolidated depreciation and amortization	477,727	408,888	17%
Consolidated EBITDA	1,768,373	1,464,010	21%
Consolidated EBITDA Margin	43.6%	43.8%	
CABLE OPERATIONS			
Non Cable Operations	104,224	71,531	46%
Cable Adjusted EBITDA	1,664,149	1,392,479	20%

Notes:

(1) Consolidated EBITDA is calculated by adding to the net income/loss the following: depreciation and amortization, net comprehensive financing income, other net income, non-recurring expenses (income) total income tax, workers profit sharing, equity in income of associated companies and minority interest.

(2) Adjusted EBITDA for the Cable operations is calculated by subtracting MCM, PCTV and Ho1a EBITDA from Consolidated EBITDA.

Net income

Net income for the quarter rose 32% to Ps. 1,021 million, compared to Ps. 775 million in 1Q15, mainly due to the 21% growth in EBITDA, and the remainder was mainly generated from the exchange rate gain registered during the first quarter of 2016, derived from the appreciation of the peso vs. dollar as the Company holds a passive position in dollars.

Depreciation in 1Q16 increased 17%, due to the effect of the CAPEX acquired during the past year.

Net Debt

Regarding net debt, during the quarter Megacable registered excess cash of Ps. 284 million over the Company's total debt, despite the Company's continued effort to strategically invest for future growth. This result was mainly due to the debt originated by the Ho1a contract with CFE.

	1Q16	1Q15
Short Term Debt	3,767,386	747,435
One year maturity of long-term bank loans	3,767,386	747,435
Long-Term Debt	131,946	2,210,908
Bank Loans	123,760	2,131,268
Accounts Payable	8,187	79,640
Total Debt	3,899,332	2,958,342
Cash and Short-Term Investments	4,183,492	4,268,250
Net Debt	(284,159)	(1,309,908)

Net Comprehensive Financing

The Company reported a net financing cost of Ps. 69 million in 1Q16, where interest income represented Ps. 1 million and a net exchange gain of Ps. 68 million.

	1Q16	1Q15
Net Exchange Gain/Loss	68,197	- 38,279
Interest Income	41,237	40,162
Interest Expense	40,017	30,948
Net Comprehensive Financial Result	69,417	- 29,065

CAPEX

During 1Q16, Megacable reported CAPEX of Ps. 806 million. This investment was mainly allocated towards the construction of new network kilometers, the acquisition of subscriber equipment for both the digitalization project and subscriber growth in the internet/telephony segment, as well as the modernization of the Company's cable network.

Stock Information

Ticker MEGA.CPO	CPO's	Serie "A"
Total Shares (thousands)		1,721,356
Outstanding shares (thousands)	300,119	600,237
Shares in Treasury (thousands)	934	1,868
2 Series "A" Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 61,601
Closing Price (Ps) *		\$ 71.65
Free Float		35%
As of March 31, 2016		

Source: Infosel

Disclaimer

This press release contains forward-looking statements regarding the company's results and future prospects which are subject to risk and uncertainty. Therefore, these results and statements may differ due to various factors. Moreover, figures in this report may vary due to rounding.

Conference Call

Megacable will hold its 1Q16 Earnings Conference Call on Tuesday, April 26, 2016 at 10:00am (Central Time) / 11:00am (Eastern Time).

To access the call dial in:

1-800-311-9404 (from within the U.S.)

1-334-323-7224 (from outside the U.S.)

Conference ID Number: 35832

Balance Sheet

	2016	2015
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and short-term investments	4,183,492	4,268,250
Accounts receivable from customers and other, net	1,908,178	925,200
Recoverable taxes	1,094,250	615,643
Inventories	912,296	322,568
Total Current Assets	8,098,215	6,131,660
Property, systems and equipment, net	17,833,567	14,783,553
Goodwill, net	4,378,397	4,378,397
Deferred Taxes	175,373	208,794
Other assets	76,214	234,579
Affiliated and associated companies	954,414	683,738
Total Assets	31,516,181	26,420,721
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	3,767,386	747,435
Suppliers	1,811,046	669,325
Affiliated and associated companies	130,459	113,740
Accounts payable and accrued expenses payable	1,522,652	845,783
Total Current Liabilities	7,231,542	2,376,282
LONG TERM LIABILITIES		
Bank loans	123,760	2,131,268
Labor obligations	200,385	166,051
Accounts payable	8,187	79,640
Deferred taxes	1,752,354	2,211,769
Affiliated and associated companies	839,185	644,711
Total Long-Term Liabilities	2,923,871	5,233,438
Total Liabilities	10,155,413	7,609,720
<u>STOCKHOLDERS' EQUITY</u>		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,100,040	2,117,560
Retained Earnings	16,960,550	14,592,587
Minority Interest	901,102	701,778
Legal Reserve	488,832	488,832
Total Stockholders' Equity	21,360,768	18,811,001
Total Liabilities & Stockholders' Equity	31,516,181	26,420,721

Income Statement

	1Q16	1Q15	% Var
Income	\$ 4,059,264	\$ 3,338,823	22%
Cost of Services	1,237,522	996,402	24%
Gross Profit	\$ 2,821,742	\$ 2,342,421	20%
Operating and General Expenses	1,053,370	878,411	20%
EBITDA	\$ 1,768,373	\$ 1,464,010	21%
Depreciation and amortization	477,727	408,888	17%
Operating Profit	\$ 1,290,646	\$ 1,055,122	22%
Other income (expenses), net	19,241	55,923	(66%)
Comprehensive Financing Income, Net	-69,417	29,065	(339%)
Income Before Income Tax and Minority Interest	\$ 1,379,304	\$ 1,081,980	27%
Income Tax	286,438	273,000	5%
Net Profit	\$ 1,092,866	\$ 808,980	35%
Net income attribute to:			
Non-Controlling interest	71,839	33,673	113%
Controlling interest	1,021,027	775,307	32%
	\$ 1,092,866	\$ 808,980	35%

Income Statement by Segment

	1Q16	1Q15	% Var
CABLE OPERATIONS			
Income	3,529,799	2,909,377	21%
Cost of Services	946,196	770,873	23%
Gross Profit	2,583,603	2,138,504	21%
Operating and General Expenses	919,454	746,025	23%
EBITDA	\$ 1,664,149	\$ 1,392,479	20%
	47%	48%	
OTHER			
Income	529,465	429,446	23%
MCM	165,975	148,130	12%
HO1A	301,999	145,907	107%
PCTV	61,491	135,408	(55%)
Cost of Services	291,325	225,529	29%
MCM	27,429	29,410	(7%)
HO1A	230,341	111,150	107%
PCTV	33,555	84,969	(61%)
Gross Profit	238,140	203,917	17%
Operating and General Expenses	133,915	132,386	1%
MCM	80,129	69,925	15%
HO1A	23,206	27,414	(15%)
PCTV	30,581	35,047	(13%)
EBITDA	\$ 104,224	\$ 71,531	46%
	20%	17%	
TOTAL OPERATION			
Income	4,059,264	3,338,823	22%
Cost of Services	1,237,522	996,402	24%
Gross Profit	2,821,742	2,342,421	20%
Operating and General Expenses	1,053,370	878,411	20%
EBITDA	\$ 1,768,373	\$ 1,464,010	21%
	44%	44%	