

Highlights:

- » Consolidated EBITDA for 1Q18 reached Ps. 2,220 million, a new record quarterly figure for the Company, representing 18.6% growth compared to 1Q17, with a significant margin expansion to 47.3%.
- » RGUs totaled 7.4 million at 1Q18, an increase of 15.3% compared to 1Q17; reaching subscriber growth across all three mass market segments; RGU's per unique subscriber was 2.13.
- » ARPU per unique subscriber reached Ps. 375.7 in 1Q18, the highest level reached by the Company, an increase of 4.8% compared to 1Q17.
- » The Video segment reached 61 thousand net adds in 1Q18, adding four consecutive quarters of subscriber growth, while the internet and telephony segments registered 111 thousand and 88 thousand new subscribers, respectively.
- » The Corporate Telecom segment, continues its growth trend reaching revenues of Ps. 730 million, excluding the CFE project; this represented a 39.1% increase during 1Q18 compared to 1Q17.

Guadalajara, Jalisco, Mexico, April 26, 2018 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV:MEGA.CPO) announced today its financial results for the first quarter of 2018 (1Q18). 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:

	1Q18	1Q17	% Var
Income	4,694,795	4,289,948	9.4%
Income excluding CFE (1)	4,694,795	4,127,949	13.7%
EBITDA	2,220,486	1,871,501	18.6%
EBITDA Margin	47.3%	43.6%	
Non-Controlling interest	1,086,565	1,057,202	2.8%
Cash and short-term investments	4,228,641	1,944,128	117.5%
Net Debt	(176,807)	740,860	(123.9%)
CAPEX	1,218,982	849,266	43.5%
Mkt. Cap (Ps. Millions)	72,228	62,301	15.9%
Subscribers			
Video	3,101,244	2,907,994	6.6%
Internet	2,735,615	2,303,391	18.8%
Telephony	1,554,273	1,198,980	29.6%
Other Data			
Home Passed	8,206,565	7,914,061	3.7%
Network Kilometers	56,939	54,706	4.1%
Employees (2)	18,912	16,603	13.9%

Notes:

- (1) Excluding Ps. 162 million revenues corresponding to the CFE project during 1Q17.
 (2) The number of employees in 1Q18 includes MCM, HO1A and PCTV.

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

Investor Relations Contact:

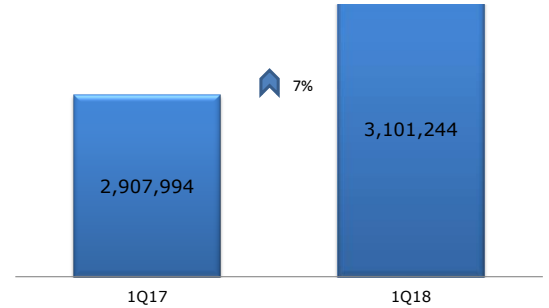
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Video Subscribers

At the close of 1Q18, the video segment reached 3'101,244 subscribers, a 6.6% growth or 193 thousand net adds, compared to 1Q17, continuing with the growth trend experienced during the last nine months of 2017. When compared to 4Q17, subscribers for this segment grew by 2.0% or 61 thousand net adds. This result was due to valuable commercial efforts aimed at healthier subscriber adds, as well as the continued improvement of the churn rate.

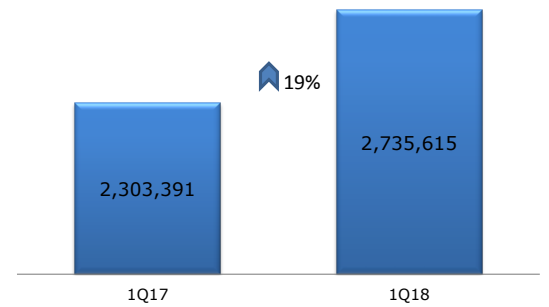
At the end of 1Q18, 81% of total subscriptions are digital, with over 4.7 million set up boxes (STB). Moreover, the Company reached 600 thousand HD service subscribers during 1Q18. Xview continues to experience growth, adding 79 thousand net subscribers in 1Q18 for a total of 249 thousand subscribers.



Internet Subscribers

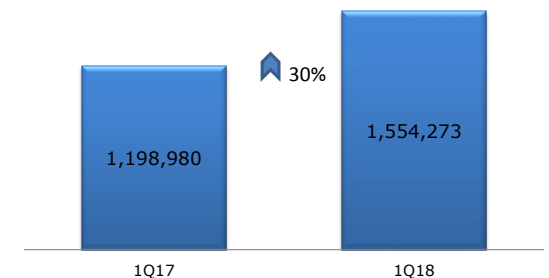
The internet segment continues to drive Megacable's overall subscriber growth, increasing by 432 thousand net adds or 18.8%, to reach 2'735,615 subscribers in 1Q18, compared to the first quarter of 2017. When compared to 4Q17, the Company registered 111 thousand net adds, or 4.2% growth.

This segment continues to experience a positive growth trend; during the quarter the Company continued to offer minimum speeds of 20 megas to new subscribers, positioning Megacable as the best option in the market, in addition to the implementation of strategic marketing campaigns.



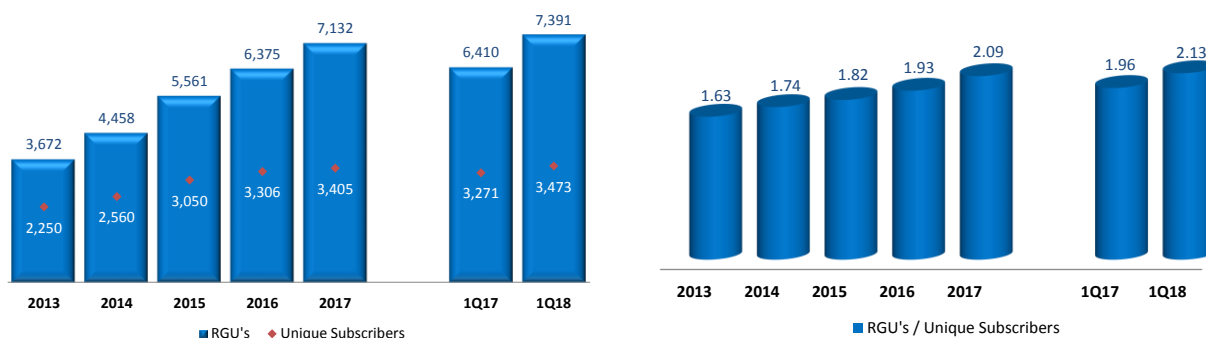
Telephony Subscribers

During 1Q18, the telephony segment reached 1'554,273 subscribers, an outstanding 29.6% growth or 355 thousand net adds year-on-year. This segment increased by 6.0% or 88 thousand net additions when compared to 4Q17



Unique Subscribers and Revenue Generating Units (RGU's)

At the close of 1Q18, RGU's reached 7'391,132, an increase of 15.3% compared to 1Q17. This reflected the increases experienced throughout the Company's three massive market segments. As a result, RGU's per unique subscriber reached 2.13, a significant increase compared to 1Q17. The Company continues to focus on offering an attractive bundling option; therefore most of its sales consisted of triple play packages.



Churn Rate

At the close of 1Q18, the churn rate for the video segment reached 2.4%, remaining in line compared to 4Q17 and improving by 100 basis points when compared to 1Q17. The internet segment posted an improvement of 20 and 40 basis points, compared to 4Q17 and 1Q17, respectively; Telephony improved by 10 basis points compared to 4Q17 and by 20 basis points in the year-on-year comparison.

	1Q18	1Q17	4Q17
Video	2.4%	3.4%	2.4%
Internet	2.3%	2.7%	2.5%
Telephony	4.8%	5.0%	4.9%

Revenues

Total revenues for 1Q18 reached Ps. 4,695 million, an increase of 9.4% compared to 1Q17. Excluding the ho1a project with CFE, consolidated revenues rose by 13.7% and corporate segment revenues grew by 33.7%, while the massive market reported 10.4% growth.

	1Q18	1Q17	%Var
Video	2,002,342	1,864,391	7%
Internet	1,476,176	1,218,474	21%
Telephony	392,330	419,384	-6%
Others	24,080	27,338	-12%
Total Mass Market	3,894,929	3,529,587	10%
Corporate	799,866	598,362	34%
Total excluding non-recurrent	4,694,795	4,127,949	14%
HO1A CFE	-	161,999	-100%
Total	4,694,795	4,289,948	9%

ARPU

ARPU per unique subscriber rose 4.8% to Ps. 375.7 compared to 1Q17, a record figure for the Company. This was due to a greater number of RGU's per subscriber, a sales strategy focused on triple play packages with greater ARPU, rate increases for current customers and additional revenues from new products. When compared to 4Q17, ARPU per unique subscriber rose by 1.1%. ARPU for video and internet grew by 1.8% and 2.0%, respectively, compared to 1Q17, while telephony declined, mainly due to subscriber growth and the corresponding discounts.

	1Q18	1Q17	% Var	4Q17	% Var
ARPU (1) (Ps.)					
Unique subscribers of cable	375.7	358.4	5%	371.7	1%
Video	216.3	212.4	2%	216.5	0%
Internet	181.9	178.4	2%	177.2	3%
Telephony	85.8	117.1	-27%	94.2	-9%

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 for the corresponding period.

Corporate Telecom Segment Revenues

Excluding the CFE project, Corporate Telecom segment revenues increased by 39.1% compared to 1Q17, representing 15.5% of Megacable's total revenues. During this quarter, Metrocarrier's revenues increased an outstanding 63.4%, while Ho1a rose by 31.1% and MCM by 17.0%. Considering the revenues from the CFE project concluded during 1Q17, revenues from the corporate segment increased by 5.2% compared to 1Q17.

	1Q18	1Q17	%Var
Metrocarrier	353,636	216,444	63%
HO1A	147,178	112,303	31%
MCM	229,221	195,957	17%
Telecom Corporate (ex. CFE)	730,035	524,703	39%
HO1A CFE	-	161,999	-100%
PCTV	69,831	73,658	-5%
Total	799,866	760,360	5%

Costs & Expenses

During 1Q18, cost of services declined 0.7% compared to 1Q17. This was mainly due to the costs in the corporate segment corresponding to the CFE project reported during 1Q17, regardless of the increase in programming costs. Operating costs grew only 5.4%.

EBITDA

Adjusted EBITDA for the cable operations reached Ps. 2,091 million, a 19.3% growth, compared to 1Q17, with a 49.2% EBITDA margin. Likewise, consolidated EBITDA reached Ps. 2,220 million, a new record for Megacable and representing an increase of 18.6% compared to 1Q17. Consolidated EBITDA margin was 47.4%, reflecting significant growth compared to 43.6% posted in 1Q17.

	1Q18	1Q17	%Var
CONSOLIDATED			
Consolidated operating profit	1,470,821	1,330,812	11%
Plus consolidated depreciation and amortization	749,665	540,688	39%
Consolidated EBITDA (1)	2,220,486	1,871,501	19%
Consolidated EBITDA Margin	47.3%	43.6%	
CABLE OPERATIONS			
Non Cable Operations	129,029	117,828	10%
Cable Adjusted EBITDA (2)	2,091,457	1,753,672	19%
EBITDA Margin of Cable	49.2%	46.8%	

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 reached Ps. 1,087 million, an increase of 2.8%, compared to Ps. 1,057 million in 1Q17. This result, which was below EBITDA growth, was due to a depreciation increase, as a result of investments made in previous years, and the negative comprehensive financial result due to the exchange rate fluctuation.

Net Debt

Megacable posted cash surplus over financial debt of Ps. 177 million, despite the continuation of strategic investments aimed at the Company's growth. Total debt is mainly comprised of two loans maturing in July 2019, for a total amount of Ps. 3,700 million. The net debt decline in 1Q18 compared to 4Q17, was due to greater cash generation derived from the Company's operations during the quarter.

	1Q18	1Q17
Short Term Debt	154,263	619,775
One year maturity of long-term bank loans	154,263	619,775
Long-Term Debt	3,897,570	2,065,212
Bank Loans	3,893,135	2,059,143
Accounts Payable	4,435	6,068
Total Debt	4,051,834	2,684,987
Cash and Short-Term Investments	4,228,641	1,944,128
Net Debt	(176,807)	740,860

Net Comprehensive Financing Result

The Company reported a net financing cost of Ps. 69.5 million in 1Q18, comprised of Ps. 17.0 million in net interest income and a net exchange gain of Ps. 52.5 million.

	1Q18	1Q17
Net Exchange Loss (Profit)	52,450	(57,756)
Interest Income	75,227	46,010
Interest Expense	92,279	56,642
Net Comprehensive Financial Result	(69,502)	47,124

CAPEX

Megacable invested Ps. 1,219 million during 1Q18, which represented 26.0% of the revenues for the year. Investments during the quarter were mainly allocated towards the expansion of the purchase of subscriber equipment, the expansion of the corporate network to new cities, construction of additional network kilometers and the modernization of the Company's cable network.

Stock Information

Ticker MEGA.CPO	CPO's	"A" Series
Total Shares (thousands)		1,721,356
Outstanding shares (thousands)	300,119	600,237
Shares in Treasury (thousands)	517	1,033
2 Series "A" Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 72,228
Closing Price (Ps) *		\$ 83.97
Free Float		35%
As of March 31, 2018		

* Source: Infotel

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 1Q18 Earnings Conference Call on Friday, April 27, 2018 at 10:00 am (Central Time) / 11:00am (Eastern Time).

To access the call, please dial:
 from within the U.S. 1-877-830-2576
 from outside the U.S. 1-785-424-1726
 Conference ID Number: MEGA

Balance Sheet

	As of March 31st	
	2018	2017
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and short-term investments	4,228,641	1,944,128
Accounts receivable from customers and other, net	1,476,527	1,405,655
Recoverable taxes	294,895	916,126
Inventories	474,836	624,924
Total Current Assets	6,474,899	4,890,832
Investment in shares of associated companies	276,040	20,596
Property, systems and equipment, net	24,775,914	22,228,064
Goodwill, net	4,378,397	4,378,397
Deferred Taxes	4,837	164,509
Other assets	398,317	408,847
Affiliated and associated companies	1,062,895	1,033,610
Total Assets	37,371,300	33,124,855
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>PASIVO A CORTO PLAZO</u>		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	1,479,055	1,971,346
Suppliers	275,456	137,043
Accounts payable and accrued expenses payable	2,165,656	1,345,522
Total Current Liabilities	4,074,430	4,073,686
<u>LONG TERM LIABILITIES</u>		
Bank loans	3,893,135	2,059,143
Labor obligations	210,823	208,001
Accounts payable	4,435	6,068
Deferred taxes	1,643,095	1,778,462
Affiliated and associated companies	661,561	700,814
Total Long-Term Liabilities	6,413,049	4,752,489
Total Liabilities	10,487,480	8,826,174
<u>STOCKHOLDERS' EQUITY</u>		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	22,193,494	19,639,622
Minority Interest	1,173,690	1,142,422
Legal Reserve	488,832	488,832
Total Stockholders' Equity	26,883,820	24,298,681
Total Liabilities & Stockholders' Equity	37,371,300	33,124,855

Income Statement

	1Q18	1Q17	% Var
Income	\$ 4,694,795	\$ 4,289,948	9%
Cost of Services	1,224,872	1,233,316	(1%)
Gross Profit	\$ 3,469,923	\$ 3,056,631	14%
Operating and General Expenses	1,249,437	1,185,131	5%
EBITDA	\$ 2,220,486	\$ 1,871,501	19%
Depreciation and amortization	749,665	540,688	39%
Operating Profit	\$ 1,470,821	\$ 1,330,812	11%
Other income (expenses), net	17,456	13,344	31%
Comprehensive Financing Income, Net	69,502	-\$ 47,124	(247%)
Income Before Income Tax and Minority Interest	\$ 1,418,775	\$ 1,391,280	2%
Income Tax	283,826	266,724	6%
Net Profit	\$ 1,134,949	\$ 1,124,556	1%
Net income attribute to:			
Non-Controlling interest	48,384	67,354	(28%)
Controlling interest	1,086,565	1,057,202	3%
	\$ 1,134,949	\$ 1,124,556	1%

Income Statement per Segment

	1Q18	1Q17	% Var
CABLE OPERATIONS			
Income	4,248,565	3,746,031	13%
Cost of Services	1,075,067	970,681	11%
Gross Profit	3,173,497	2,775,350	14%
Operating and General Expenses	1,082,040	1,021,677	6%
EBITDA	\$ 2,091,457	\$ 1,753,672	19%
	49%	47%	
OTHER			
Income	446,230	543,917	(18%)
MCM	229,221	195,957	17%
HO1A	147,178	112,303	31%
HO1A CFE	0	161,999	(100%)
PCTV	69,831	73,658	(5%)
Cost of Services	149,805	262,635	(43%)
MCM	26,285	28,874	(9%)
HO1A	93,476	59,908	56%
HO1A CFE	0	142,507	(100%)
PCTV	30,043	31,346	(4%)
Gross Profit	296,426	281,282	5%
Operating and General Expenses	167,397	163,453	2%
MCM	103,107	97,241	6%
HO1A	27,059	25,193	7%
PCTV	37,231	41,019	(9%)
EBITDA			
MCM	99,829	69,842	43%
HO1A	26,643	27,201	(2%)
HO1A CFE	0	19,492	(100%)
PCTV	2,556	1,294	98%
EBITDA	\$ 129,029	\$ 117,828	10%
	29%	22%	
TOTAL OPERATION			
Income	4,694,795	4,289,948	9%
Cost of Services	1,224,872	1,233,316	(1%)
Gross Profit	3,469,923	3,056,631	14%
Operating and General Expenses	1,249,437	1,185,131	5%
EBITDA	\$ 2,220,486	\$ 1,871,501	19%
	47%	44%	