

Highlights:

- ⦿ At the close of 3Q18, RGUs totaled 7.8 million, a 13.8% increase compared to 3Q17; reaching 2.19 RGUs per unique subscriber, an increase when compared to 3Q17.
- ⦿ ARPU per unique subscriber continued its growth trend to reach Ps. 377.8, a record figure for the Company, a 5.2% increase when compared to 3Q17.
- ⦿ The Internet segment reached 380 thousand net adds, up 15.1% compared to 3Q17, while the Telephony and Video segments registered 355 thousand and 210 thousand new subscribers, or 25.7% and 7.1% higher, respectively.
- ⦿ Consolidated EBITDA for 3Q18 reached Ps. 2,318 million, up 11.1% compared to 3Q17, and an EBITDA margin of 47.8%.
- ⦿ Metrocarrier maintained its upward trend, reaching 40.3% in revenue growth compared to 3Q17.

Guadalajara, Jalisco, Mexico, October 25, 2018 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV:MEGA.CPO) announced today its financial results for the third quarter of 2018 (3Q18). 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:

	3Q18	3Q17	% Var
Income	4,850,966	4,351,552	11.5%
Income excluding CFE (1)	4,850,966	4,277,230	13.4%
EBITDA	2,317,739	2,086,282	11.1%
EBITDA Margin	47.8%	47.9%	
Net Profit	1,110,286	1,070,887	3.7%
Cash and short-term investments	3,256,330	3,049,827	6.8%
Net Debt	687,473	814,410	(15.6%)
CAPEX	1,443,027	1,252,712	15.2%
Mkt. Cap (Ps. Millions)	82,866	65,129	27.2%
Subscribers			
Video	3,179,430	2,969,349	7.1%
Internet	2,893,787	2,513,815	15.1%
Telephony	1,737,817	1,382,359	25.7%
Other Data			
Home Passed	8,362,085	8,058,675	3.8%
Network Kilometers	58,340	55,752	4.6%
Employees	19,923	18,290	8.9%

Notes:

(1) Excluding Ps. 74 million corresponding to extraordinary revenues in 3Q17 due to the recovery of the 2.5 GHz band.

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

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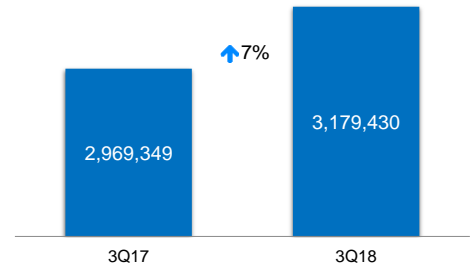
investor.relations@megacable.com.mx

Video Subscribers

At the end of 3Q18, the Video segment reached 3'179,430 subscribers, an increase of 7.1% or 210 thousand net adds compared to 3Q17, continuing with the upward trend that began in May 2017 in line with 2018 guidance. When compared to 2Q18, subscribers for this segment grew by 0.8%, or 26 thousand net adds during the quarter.

Starting on July, the Mexican economy experienced a slowdown mainly as a result of lower spending and investing due to the upcoming change in administration. Additionally, as a result of the vacation period, as well as the flooding damage experienced in some of the regions where Megacable is present, there was a reduction in the number of effective sale days, which caused a slower growth pace for subscribers in the three massive market service segments and a higher churn rate.

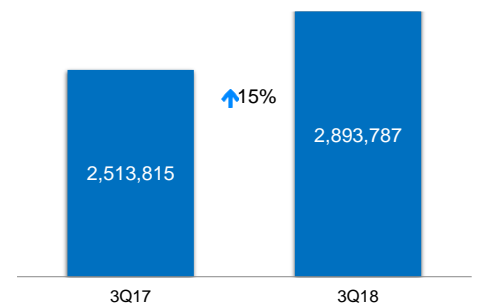
At the end of 3Q18, 82% of our total subscriber base was digital, through over 4.9 million set up boxes (STB). Xview reached subscriber growth of 18.8%, reaching 395 thousand net subscribers, compared to 2Q18, with a positive performance, both in terms of usage levels as well as customer satisfaction.



Internet Subscribers

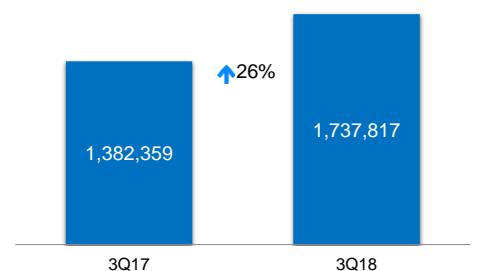
The internet segment posted 380 thousand net adds or 15.1% growth, to reach 2'893,787 subscribers in 3Q18, compared to 3Q17, representing one of the main sources of Megacable's overall subscriber growth. Compared to 2Q18, the Company registered 78 thousand net adds, up 2.8%; this segment was also affected by the temporary effects previously mentioned, which offset the boost by the *Back to School* campaign carried out during the quarter.

This segment continues to experience growth and remains focused to remain the top option in the market with competitive rate offerings, a reliable service and higher speeds, reaching a 65% subscriber base with a minimum speed of 20 megas.



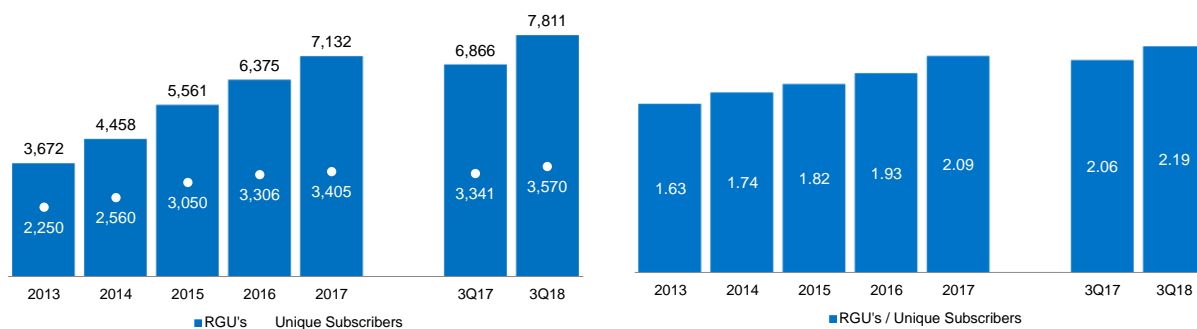
Telephony Subscribers

During 3Q18, the Telephony segment reached 1'737,817 subscribers, an outstanding 25.7% growth, or 355 thousand net adds year-over-year mainly as a result of a successful bundling strategy. This segment increased by 7.0% or 114 thousand net additions compared to 2Q18.



Unique Subscribers and Revenue Generating Units (RGUs)

At the end of 3Q18, RGUs reached 7'811,034, up 13.8% compared to 3Q17. This reflected the increases experienced throughout the Company's three massive market segments. As a result, RGUs per unique subscriber reached 2.19, a significant rise compared to 3Q17. The Company continues to focus on offering triple-play packages, by offering attractive bundling options with additional services such as Xview and HD.



Churn Rate

At the close of 3Q18, the Video segment's churn rate was 2.7%, remaining in line compared to 3Q17 and up by 30 basis points compared to 2Q18. This increase was mainly due to seasonality and the Mexican economic slowdown, in addition to the effects of the climatic events experienced during the quarter, as previously mentioned. Compared to 3Q17, the Internet segment rose by 10 basis points and by 20 basis points against 2Q18. Additionally, Telephony improved by 100 basis points compared to 3Q17 and by 70 basis points compared to 2Q18 as a result of a change in the Company's commercial bundling policy.

	3Q18	3Q17	2Q18
Video	2.7%	2.7%	2.4%
Internet	2.6%	2.5%	2.4%
Telephony	3.9%	4.9%	4.6%

Revenues

Total 3Q18 revenues reached Ps. 4,851 million, an 11.5% increase compared to 3Q17. However, excluding the extraordinary income registered in 3Q17, revenues grew by 13.4%. During the quarter, revenues for the massive market grew by 12.5%, mainly as a result of greater Internet and Video and the rate adjustment that took place in July. Revenues for the corporate segment grew by 18.2%.

	3Q18	3Q17	%Var	9M18	9M17	%Var
Video	2,039,791	1,843,188	11%	6,046,313	5,525,280	9%
Internet	1,530,142	1,302,263	17%	4,507,297	3,789,173	19%
Telephony	431,346	413,960	4%	1,235,524	1,246,348	-1%
Others	24,048	19,428	24%	68,107	70,225	-3%
Total Mass Market	4,025,327	3,578,839	12%	11,857,241	10,631,026	12%
Corporate	825,640	698,391	18%	2,521,348	1,903,993	32%
Total excluding non-recurrent	4,850,966	4,277,230	13%	14,378,589	12,535,019	15%
HO1A CFE	-	-	-	-	161,999	-
Non-recurrent	-	74,322	-100%	99,315	74,322	34%
Total	4,850,966	4,351,552	11%	14,477,904	12,771,340	13%

ARPU

ARPU per unique subscriber continued its positive trend to reach Ps. 377.8, a record figure for the Company which represents a 5.2% increase when compared to 3Q17. This result was due to a greater number of RGU's per subscriber, boosted by a strategy of focusing on triple-play packages as well as new products that contribute highly to ARPU and rate increases for current customers. When compared to 3Q17, ARPU for the Video segment grew by 3.2% and for Internet segment by 1.7%. Telephony ARPU declined, mainly due to bundling subscriber growth and the corresponding discounts.

	3Q18	3Q17	% Var	2Q18	% Var
ARPU (1) (Ps.)					
Unique subscribers of cable	377.8	359.1	5%	373.9	1%
Video	214.7	208.1	3%	213.1	1%
Internet	178.2	175.2	2%	179.3	-1%
Telephony	84.7	102.0	-17%	85.8	-1%

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

Corporate Telecom segment revenues increased 20.5% compared to 3Q17, representing 15.5% of Megacable's total revenues versus 14.3% in 3Q17. During this quarter, Metrocarrier reached an outstanding 40.3% growth, as a result of a diversified service portfolio, while MCM rose by 14.7 and Ho1a declined by 5.1% compared to 3Q17, mainly due to a slowdown in government projects, as previously mentioned.

	3Q18	3Q17	%Var	9M18	9M17	%Var
Metrocarrier	361,607	257,829	40%	1,159,925	684,055	70%
HO1A	143,583	151,357	-5%	436,210	393,518	11%
MCM	243,545	212,270	15%	709,829	607,209	17%
Telecom Corporate (ex. CFE)	748,735	621,456	20%	2,305,964	1,684,783	37%
HO1A CFE	-	-	NA	-	161,999	-100%
PCTV	76,904	76,935	0%	215,384	219,211	-2%
Total	825,640	698,391	18%	2,521,348	2,065,992	22%

Costs & Expenses

In 3Q18, cost of services increased by 17.4% compared to 3Q17, due to the increase in operating costs, mainly programming costs related to the inclusion of new channels; while operating expenses only increased by 6.6%, below the Company's revenue growth, due to operating efficiencies.

EBITDA

In 3Q18, Adjusted EBITDA for the cable operations reached Ps. 2,189 million, 10.9% growth, compared to 3Q17, with a 49.9% EBITDA margin. Likewise, consolidated EBITDA reached Ps. 2,318 million, an 11.1% increase compared to 3Q17. However, excluding the effect of the non-recurring income registered in 3Q17, EBITDA grew by 15.2%. The consolidated EBITDA margin was 47.8%.

	3Q18	3Q17	%Var	9M18	9M17	%Var
CONSOLIDATED						
Consolidated operating profit	1,517,437	1,393,636	9%	4,794,784	4,298,860	12%
Plus consolidated depreciation and amortization	800,302	692,646	16%	2,370,458	1,861,180	27%
Consolidated EBITDA (1)	2,317,739	2,086,282	11%	7,165,242	6,160,040	16%
Consolidated EBITDA Margin	47.8%	47.9%		49.5%	48.2%	
CABLE OPERATIONS						
Non Cable Operations	129,113	112,185	15%	384,269	317,577	21%
Cable Adjusted EBITDA (2)	2,188,626	1,974,097	11%	6,780,972	5,842,463	16%
EBITDA Margin of Cable	49.9%	50.5%		51.7%	51.3%	

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. 1,110 million, a 3.7% increase compared to Ps. 1,071 million in 3Q17. This result, which was below EBITDA growth, was due to a depreciation increase as a result of investments made in previous years, as well as an increase in the effective tax rate and higher comprehensive financial costs.

Net Debt

Megacable's Net Debt was Ps. 687 million at the end of the quarter, a 31.9% decline compared to 2Q18, mainly due to the cash generated during the quarter. Total debt is mainly comprised of two loans maturing in July 2019, for a total of Ps. 3,700 million, which are considered short-term debt beginning in this quarter.

	3Q18	3Q17	2Q18
Short Term Debt	3,791,083	82,012	135,287
One year maturity of long-term bank loans	3,791,083	82,012	135,287
Long-Term Debt	152,720	3,782,225	3,859,782
Bank Loans	148,172	3,776,156	3,855,234
Accounts Payable	4,548	6,068	4,548
Total Debt	3,943,803	3,864,237	3,995,068
Cash and Short-Term Investments	3,256,330	3,049,827	2,986,150
Net Debt	687,473	814,410	1,008,919

Net Comprehensive Financing Result

The Company reported a net financing result of Ps. -46.5 million in 3Q18, comprised of Ps. 17.3 million in net interest expense and a net exchange loss of Ps. 29.2 million.

	3Q18	3Q17
Net Exchange Loss (Profit)	29,185	(5,293)
Interest Income	84,179	70,447
Interest Expense	101,516	98,900
Net Comprehensive Financial Result	(46,522)	(23,161)

CAPEX

Megacable invested Ps. 1.443 billion during 3Q18, which represented 29.7% of the revenues for the quarter or 29.5% on an accumulated basis. Investments during the quarter were mainly directed towards improving the network capacity, the acquisition of subscriber's equipment, update and construction of additional network kilometers and in the Company's cable network, as well as especial projects such as the submarine cable.

Stock Information

Ticker MEGACPO	CPO's	"A" Series
Total Shares (thousands)	853,789	1,721,356
Outstanding shares (thousands)	411,940	829,891
Shares in Treasury (thousands)	517	1,033
2 Series "A" Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 82,866
Closing Price (Ps) *		\$ 96.28
Free Float		48%
As of September 30th, 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 3Q18 Earnings Conference Call on Friday, October 26, 2018 at 10:00 am (Central Time) / 11:00 am (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 September 30	
	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and short-term investments	3,256,330	3,049,827
Accounts receivable from customers and other, net	1,750,577	1,553,500
Recoverable taxes	220,571	807,956
Inventories	348,789	551,189
Total Current Assets	5,576,266	5,962,471
NON-CURRENT ASSETS		
Investment in shares of associated companies	311,777	20,596
Accounts receivable from customers and other long-term, net	115,206	-
Property, systems and equipment, net	26,191,866	23,529,903
Goodwill, net	4,378,397	4,378,397
Deferred Taxes	1,210	98,009
Other assets	346,556	409,637
Affiliated and associated companies	1,055,873	1,147,009
Total Assets	37,977,151	35,546,023
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	3,791,083	82,012
Suppliers	1,475,535	1,608,065
Short-term affiliated and associated companies	192,179	138,039
Accounts payable and accrued expenses payable	2,084,444	1,613,142
Total Current Liabilities	7,543,240	3,441,257
LONG TERM LIABILITIES		
Bank loans	148,172	3,776,156
Labor obligations	217,647	210,070
Accounts payable	4,548	6,068
Deferred taxes	1,932,022	1,977,392
Affiliated and associated companies	661,561	700,814
Total Long-Term Liabilities	2,963,951	6,670,501
Total Liabilities	10,507,191	10,111,758
STOCKHOLDERS' EQUITY		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	23,159,957	20,706,795
Minority Interest	793,367	1,210,833
Legal Reserve	488,832	488,832
Total Stockholders' Equity	27,469,960	25,434,264
Total Liabilities & Stockholders' Equity	37,977,151	35,546,023

Income Statement

	3Q18	3Q17	% Var
Income	\$ 4,850,966	\$ 4,351,552	11%
Cost of Services	1,287,954	1,097,224	17%
Gross Profit	\$ 3,563,012	\$ 3,254,328	9%
Operating and General Expenses	1,245,274	1,168,046	7%
EBITDA	\$ 2,317,739	\$ 2,086,282	11%
Depreciation and amortization	800,302	692,646	16%
Operating Profit	\$ 1,517,437	\$ 1,393,636	9%
Other income (expenses), net	10,623	25,773	(59%)
Comprehensive Financing Income, Net	46,522	23,161	101%
Income Before Income Tax and Minority Interest	\$ 1,481,538	\$ 1,396,248	6%
Income Tax	331,650	269,551	23%
Net Profit	\$ 1,149,887	\$ 1,126,697	2%
Net income attribute to:			
Non-Controlling interest	39,601	55,810	(29%)
Controlling interest	1,110,286	1,070,887	4%
	\$ 1,149,887	\$ 1,126,697	2%

	9M18	9M17	% Var
Income	\$ 14,477,904	\$ 12,771,340	13%
Cost of Services	3,653,890	3,263,700	12%
Gross Profit	\$ 10,824,014	\$ 9,507,640	14%
Operating and General Expenses	3,658,772	3,347,600	9%
EBITDA	\$ 7,165,242	\$ 6,160,040	16%
Depreciation and amortization	2,370,458	1,861,180	27%
Operating Profit	\$ 4,794,784	\$ 4,298,860	12%
Other income (expenses), net	30,247	61,208	(51%)
Comprehensive Financing Income, Net	73,289	16,021	NA
Income Before Income Tax and Minority Interest	\$ 4,751,743	\$ 4,344,047	9%
Income Tax	1,045,383	779,252	34%
Net Profit	\$ 3,706,360	\$ 3,564,795	4%
Net income attribute to:			
Non-Controlling interest	122,245	135,764	(10%)
Controlling interest	3,584,115	3,429,031	5%
	\$ 3,706,360	\$ 3,564,795	4%

Income Statement per Segment

	3Q18	3Q17	% Var
CABLE OPERATIONS			
Income	\$ 4,386,934	\$ 3,910,990	12%
Cost of Services	1,128,070	923,901	22%
Gross Profit	3,258,864	2,987,089	9%
Operating and General Expenses	1,070,238	1,012,992	6%
EBITDA	\$ 2,188,626	\$ 1,974,097	11%
	50%	51%	
OTHER			
Income	464,033	440,562	5%
MCM	243,545	212,270	15%
HO1A	143,583	151,357	(5%)
HO1A CFE	-	-	NA
PCTV	76,904	76,935	(0%)
Cost of Services	159,884	173,323	(8%)
MCM	29,847	30,656	(3%)
HO1A	100,079	99,304	1%
HO1A CFE	-	-	NA
PCTV	29,958	43,362	(31%)
Gross Profit	304,148	267,239	14%
Operating and General Expenses	175,036	155,054	13%
MCM	108,619	103,457	5%
HO1A	32,229	23,954	35%
PCTV	34,188	27,643	24%
EBITDA			
MCM	105,079	78,156	34%
HO1A	11,276	28,100	(60%)
HO1A CFE	-	-	NA
PCTV	12,758	5,929	115%
EBITDA	\$ 129,113	\$ 112,185	15%
	28%	25%	
TOTAL OPERATION			
Income	4,850,966	4,351,552	11%
Cost of Services	1,287,954	1,097,224	17%
Gross Profit	3,563,012	3,254,328	9%
Operating and General Expenses	1,245,274	1,168,046	7%
EBITDA	\$ 2,317,739	\$ 2,086,282	11%
	48%	48%	

Income Statement per Segment

	9M18	9M17	% Var
CABLE OPERATIONS			
Income	\$ 13,116,481	\$ 11,389,403	15%
Cost of Services	3,192,933	2,680,416	19%
Gross Profit	9,923,548	8,708,987	14%
Operating and General Expenses	3,142,576	2,866,524	10%
EBITDA	\$ 6,780,972	\$ 5,842,463	16%
	52%	51%	
OTHER			
Income	1,361,423	1,381,937	(1%)
MCM	709,829	607,209	17%
HO1A	436,210	393,518	11%
HO1A CFE	-	161,999	(100%)
PCTV	215,384	219,211	(2%)
Cost of Services	460,957	583,284	(21%)
MCM	82,661	93,218	(11%)
HO1A	290,281	252,320	15%
HO1A CFE	-	133,328	(100%)
PCTV	88,016	104,418	(16%)
Gross Profit	900,465	798,653	13%
Operating and General Expenses	516,196	481,076	7%
MCM	320,543	299,931	7%
HO1A	88,181	73,166	21%
PCTV	107,472	107,979	(0%)
EBITDA			
MCM	306,625	214,061	43%
HO1A	57,748	68,032	(15%)
HO1A CFE	-	28,671	(100%)
PCTV	19,896	6,813	192%
EBITDA	\$ 384,269	\$ 317,577	21%
	28%	23%	
TOTAL OPERATION			
Income	14,477,904	12,771,340	13%
Cost of Services	3,653,890	3,263,700	12%
Gross Profit	10,824,014	9,507,640	14%
Operating and General Expenses	3,658,772	3,347,600	9%
EBITDA	\$ 7,165,242	\$ 6,160,040	16%
	49%	48%	