

Highlights:

- » Consolidated EBITDA for 4Q17 reached more than Ps. 2,000 million, a record quarterly figure for the Company, representing 6.3% growth compared to 4Q16.
- » Consolidated EBITDA margin reported significant growth during 4Q17, reaching 45.2%, a 260 basis point increase compared to 4Q16.
- » ARPU per unique subscriber reached Ps. 371.7 in 4Q17, an increase of 3.5% compared to 3Q17, continuing with the growth trend observed during recent quarters.
- » RGUs totalled 7.1 million at the end of 4Q17, an increase of 11.9% compared to 2016; reaching subscriber growth across all three mass market segments.
- » The Video segment reached 71 thousand net adds in 4Q17, the highest since 1Q16, the third consecutive quarter experiencing subscriber growth. This represented a 2.3% increase compared to 4Q16 and a 4.5% increase for the last nine months of 2017.
- » The Corporate Telecom segment, including Metrocarrier, MCM and Ho1a, continues to grow with revenues of Ps. 669 million, excluding the CFE project; this represented a 32.5% increase during 4Q17 compared to 4Q16.

Guadalajara, Jalisco, Mexico, February 7th, 2018 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV:MEGA.CPO) announced today its financial results for the fourth quarter of 2017 (4Q17) and full year 2017. 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:

	4Q17	4Q16	% Var
Income	4,515,499	4,500,990	0.3%
Income excluding non-recurrent (1)	4,515,499	4,207,460	7.3%
EBITDA	2,038,943	1,918,000	6.3%
EBITDA Margin	45.2%	42.6%	
Controlling interest	1,070,481	1,255,337	(14.7%)
Cash and short-term investments	3,116,700	1,148,139	171.5%
Net Debt	941,910	2,495,579	(62.3%)
CAPEX	1,779,050	1,652,272	7.7%
Mkt. Cap (Ps. Millions)	68,821	59,599	15.5%
Subscribers			
Video	3,040,278	2,971,181	2.3%
Internet	2,625,041	2,227,629	17.8%
Telephony	1,466,535	1,176,029	24.7%
Other Data			
Homes Passed	8,135,428	7,867,995	3.4%
Network Kilometers	56,287	54,339	3.6%
Employees (2)	18,513	17,059	8.5%

Notes:

- (1) Excluding Ps. 294 million revenues corresponding to the CFE project during 2016.
 (2) The number of employees in 4Q17 includes MCM, HO1A and PCTV.

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

Investor Relations Contact:

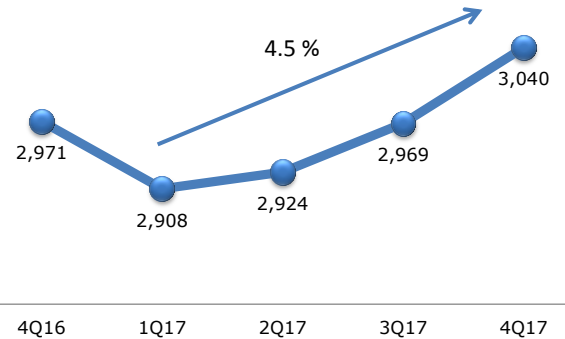
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Video Subscribers

At 4Q17, video subscribers reached 3,040,278, a 2.4% growth compared to 3Q17, with net adds of 71 thousand subscribers, the highest quarterly figure registered since 1Q16. Year-on-year, video subscribers posted 69 thousand net adds compared to 4Q16. It is worth mentioning that despite the subscriber decrease experienced in 1Q17, the Company was able to generate growth, thereby allowing it to conclude the year with a 4.5% increase in the last nine months of 2017. This result was due to valuable commercial strategies implemented in order to achieve healthier subscriber adds, as well as the continued improvement in the churn rate.

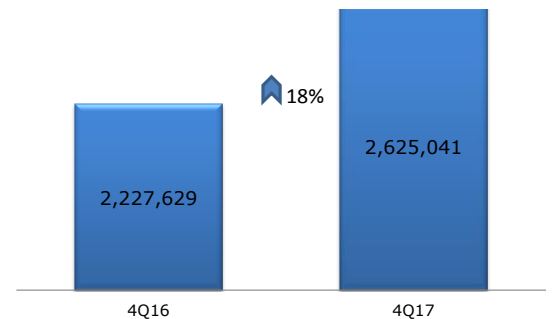


It is important to mention that at the end of 4Q17, 80% of total subscriptions are digital, with 4.6 million set up boxes (STB). Xview continues to experience positive growth, adding 43 thousand new subscribers in 4Q17 for a total of 170 thousand subscribers at the end of the year. During 4Q17, the Company completed the updating process for its STB Legacy software, with which it expects massive subscriber migration to the Xview platform within the coming months.

Internet Subscribers

During 2017, the internet segment continues to drive overall subscriber growth, increasing 17.8% year-on-year, representing 397 thousand net adds, to reach 2,625,041 subscribers. In 4Q17, the Company registered 111 thousand net adds, or 4.4% growth, compared to 3Q17.

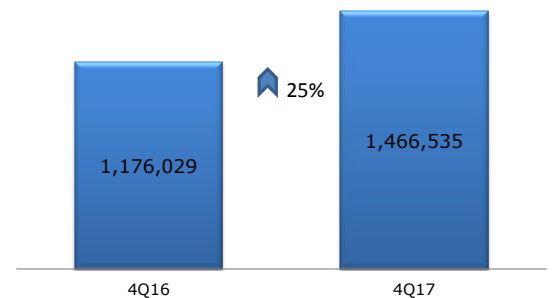
Growth in this segment continues; 4Q17 experienced the highest number of net adds for the year. This was due to the implementation of strategic marketing campaigns; as well as the seasonality effect experienced at the end of the year. It is important to mention that new subscribers obtain packages that have minimum speeds of 20 megas.



Telephony Subscribers

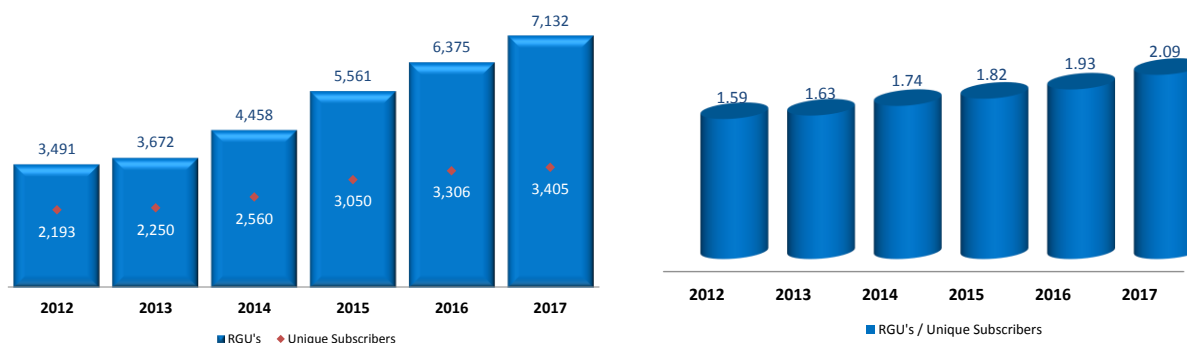
At the close of 2017, the telephony segment reached 1,466,535 subscribers. This represented 291 net adds year-on-year, an outstanding 24.7% growth. During 4Q17, this segment reached 84 thousand net additions, or 6.1% increase, compared to 3Q17.

The growth strategy for the telephony segment continues to focus on offering the market an attractive bundling alternative, therefore a significant portion of Megacable's sales are triple-play package, which has contributed to an accelerated increase of the Company's segment in market that has no growth at all.



Unique Subscribers and Revenue Generating Units (RGU's)

In 4Q17, RGU's reached 7,131,854, an increase of 11.9% compared to 4Q16. This reflected the increases experienced throughout the Company's three massive market segments. As a result, RGU's per unique subscriber rose to 2.09, a significant increase compared to 2016.



Churn Rate

In 4Q17, the churn rate for the video segment reached 2.4%, improving by 30 basis points, compared to 3Q17, mainly due to Megacable's selective sales strategy in order to gain healthier subscriber adds. When compared to 4Q16, the churn rate posted a significant improvement, mainly due to the programming changes and the economic environment at the end of 2016. The internet segment remained in line compared to 3Q17 and registered a slight decline compared to 4Q16; telephony remained in line versus 3Q17 and increased by 90 basis points compared to 4Q16.

	4Q17	4Q16	3Q17
Video	2.4%	3.8%	2.7%
Internet	2.5%	2.6%	2.5%
Telephony	4.9%	4.0%	4.9%

Revenues

Total revenues for 4Q16 reached Ps. 4,515 million. Excluding the Ho1a project with CFE, consolidated revenues rose by 7.3%. In the corporate segment revenues grew by 27.0%, while the massive market reported 4.1% growth. Revenues rose by 1.7% year-on-year to Ps. 17,287 million. During this period, the massive market reached 3.5% growth, while the corporate segment rose by 26.9%, excluding the CFE project.

	4Q17	4Q16	%Var	12M17	12M16	%Var
Video	1,954,176	1,987,845	-2%	7,479,457	7,836,103	-5%
Internet	1,372,253	1,179,993	16%	5,161,426	4,466,662	16%
Telephony	405,442	408,236	-1%	1,651,790	1,484,936	11%
Other	35,145	42,252	-17%	105,369	129,814	-19%
Total Mass Market	3,767,016	3,618,326	4%	14,398,042	13,917,515	3%
Corporate	748,483	589,134	27%	2,652,476	2,090,483	27%
Total excluding non-recurrent	4,515,499	4,207,460	7%	17,050,518	16,007,997	7%
HO1A CFE	-	293,531	-100%	161,999	994,429	-84%
Recovery of the 2.5 GHz band	-	-	-	74,322	-	-
Total	4,515,499	4,500,990	0%	17,286,839	17,002,426	2%

ARPU

ARPU per unique subscriber rose 3.5% compared to 3Q17, due to a greater number of RGU's per subscriber, a sales strategy focused on packages with greater ARPU, rate increases for current customers and additional revenues from new products such as Xview. Year-on-year, ARPU per unique subscriber grew by 3.8%. Individual ARPU's continue to be affected by product bundling and the corresponding discounts, as well as RGU's growth.

	4Q17	4Q16	% Var	3Q17	% Var
ARPU (1) (Ps.)					
Unique subscribers of cable	371.7	358.2	3.8%	359.1	3.5%
Video	216.5	214.1	1.1%	208.1	4.0%
Internet	177.2	180.4	-1.8%	175.2	1.1%
Telephony	94.2	120.1	-21.6%	102.0	-7.7%

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 32.5% compared to 4Q16, representing 14.8% of Megacable's total revenues. This result was due to 48.2% growth in Metrocarrier, 30.0% in HO1a and 20.2% in MCM. Considering the CFE project concluded during 1Q17, revenues from the corporate segment declined 15.2% compared to 4Q16.

	4Q17	4Q16	%Var	12M17	12M16	%Var
Metrocarrier	258,095	174,195	48%	942,151	654,754	44%
HO1A	179,160	137,816	30%	572,678	424,902	35%
MCM	231,528	192,600	20%	838,737	722,949	16%
Telecom Corporate (ex. CFE)	668,783	504,611	33%	2,353,566	1,802,606	31%
HO1A CFE	-	293,531	-100%	161,999	994,429	-84%
PCTV	79,700	84,523	-6%	298,910	287,877	4%
Total	748,483	882,664	-15%	2,814,475	3,084,911	-9%

Costs & Expenses

During 4Q17, cost of services declined a total of 11.1% year-over-year, both in the residential and corporate segments. This result was due to the decline of costs in the corporate segment corresponding to the CFE project in 4Q16. Operating costs grew by only 4.4%.

EBITDA

Adjusted EBITDA for the cable operations rose 2.4% from 4Q16 to 4Q17, reaching Ps. 1,863 million, with a 46.3% EBITDA margin. Consolidated EBITDA reached Ps. 2,039 million, a record figure for Megacable and an increase of 6.3% compared to 4Q16. Consolidated EBITDA margin was 45.2%, a significant growth compared to 42.6% in 4Q16; mainly due to the abovementioned cost reductions.

	4Q17	4Q16	%Var	12M17	12M16	%Var
CONSOLIDATED						
Consolidated operating profit	1,289,261	1,365,075	-6%	5,230,237	4,872,495	7%
Plus consolidated depreciation and amortization	749,682	552,925	36%	2,484,992	2,093,645	19%
Consolidated EBITDA (1)	2,038,943	1,918,000	6%	7,715,229	6,966,140	11%
Consolidated EBITDA Margin	45.2%	42.6%		44.6%	41.0%	
CABLE OPERATIONS						
Non Cable Operations	175,964	95,364	85%	493,541	427,660	15%
Cable Adjusted EBITDA (2)	1,862,979	1,822,636	2%	7,221,688	6,538,480	10%
EBITDA Margin of Cable	46.3%	48.1%		46.8%	44.9%	

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. 1,070 million compared to Ps. 1,255 million in 4Q16, a decline of 14.7%. This was due to the cancellation of deferred taxes in 2016, which compares negatively versus 4Q17. This increase in depreciation during the quarter remained in line with the Company's investment requirements.

Net Debt

Megacable reached Net Debt of Ps. 942 million, mainly as a result of the two loans, both maturing in July 2019, for a total amount of Ps. 3,700 million. The net debt increase in 4Q17 compared to 3Q17 was due to the debt issuance of Ps. 245 million to support Ho1a's growth; coupled with cash generation derived from the Company's operations during the quarter.

	4Q17	4Q16
Short Term Debt	131,833	1,573,244
One year maturity of long-term bank loans	131,833	1,573,244
Long-Term Debt	3,926,777	2,070,473
Bank Loans	3,920,878	2,064,572
Accounts Payable	5,900	5,901
Total Debt	4,058,610	3,643,718
Cash and Short-Term Investments	3,116,700	1,148,139
Net Debt	941,910	2,495,579

Net Comprehensive Financing Result

The Company reported a net financing cost of Ps. 18 million in 4Q17, comprised of Ps. 30 million in net interest income and a net exchange gain of Ps. 48 million.

	4Q17	4Q16
Net Exchange (Profit) Loss	(48,272)	85,629
Interest Income	62,452	69,941
Interest Expense	92,250	43,540
Net Comprehensive Financial Result	18,474	(59,228)

CAPEX

Megacable invested Ps. 1,779 million during 4Q17 and Ps. 4,693 million during 2017, which represented 27.1% of the revenues for the year; in line with the Company's guidance. Investments during the quarter were mainly allocated towards the expansion of the corporate network to new cities, the purchase of subscriber equipment, 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)	527	1,055
2 Series "A" Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 68,821
Closing Price (Ps) *		\$ 80.01
Free Float		35%
As of December 31st, 2017		

* 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 4Q17 Earnings Conference Call on Thursday, February 8th, 2018 at 10:00 am (Central Time) / 11:00am (Eastern Time).

To access the call, please dial:
 from within the U.S. 1-866-952-8559
 from outside the U.S. 1-785-424-1881
 Conference ID Number: MEGA

Balance Sheet

	as of December 31st	
	2017	2016
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and short-term investments	3,116,700	1,148,139
Accounts receivable from customers and other, net	1,550,945	2,076,099
Recoverable taxes	891,578	1,053,266
Inventories	427,220	533,040
Total Current Assets	5,986,443	4,810,543
Investment in shares of associated companies	147,486	20,596
Property, systems and equipment, net	24,384,667	21,771,486
Goodwill, net	4,378,397	4,378,397
Deferred Taxes	101,429	151,294
Other assets	410,272	436,198
Affiliated and associated companies	1,046,300	1,006,900
Total Assets	36,454,994	32,575,414
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
One year maturity of long-term liabilities	131,833	1,573,244
Suppliers	1,542,999	1,917,052
Affiliated and associated companies	371,064	137,043
Accounts payable and accrued expenses payable	1,588,009	1,293,985
Total Current Liabilities	3,633,905	4,921,324
LONG TERM LIABILITIES		
Bank loans	3,920,878	2,064,572
Labor obligations	218,899	204,015
Accounts payable	5,900	5,901
Deferred taxes	1,971,511	1,500,662
Affiliated and associated companies	603,608	701,778
Total Long-Term Liabilities	6,720,795	4,476,928
Total Liabilities	10,354,700	9,398,252
<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	21,335,919	18,585,458
Minority Interest	1,247,738	1,075,068
Legal Reserve	488,832	488,832
Total Stockholders' Equity	26,100,294	23,177,162
Total Liabilities & Stockholders' Equity	36,454,994	32,575,414

Income Statement

	4Q17	4Q16	% Var
Income	\$ 4,515,499	\$ 4,500,990	0%
Cost of Services	1,263,188	1,421,293	(11%)
Gross Profit	\$ 3,252,311	\$ 3,079,697	6%
Operating and General Expenses	1,213,369	1,161,696	4%
EBITDA	\$ 2,038,943	\$ 1,918,000	6%
Depreciation and amortization	749,682	552,925	36%
Operating Profit	\$ 1,289,261	\$ 1,365,075	(6%)
Other income (expenses), net	33,583	15,077	123%
Comprehensive Financing Income, Net	- 18,474	59,228	(131%)
Non Ordinary Items	-	9,149	(100%)
Income Before Income Tax and Minority Interest	\$ 1,341,318	\$ 1,311,776	2%
Income Tax	233,931	-\$ 6,756	100%
Net Profit	\$ 1,107,387	\$ 1,318,531	(16%)
Net income attribute to:			
Non-Controlling interest	36,906	63,195	(42%)
Controlling interest	1,070,481	1,255,337	(15%)
	\$ 1,107,387	\$ 1,318,531	(16%)

Income Statement Accumulated

	12M17	12M16	% Var
Income	\$ 17,286,839	\$ 17,002,426	2%
Cost of Services	4,816,002	5,499,549	(12%)
Gross Profit	\$ 12,470,837	\$ 11,502,877	8%
Operating and General Expenses	4,755,607	4,536,737	5%
EBITDA	\$ 7,715,229	\$ 6,966,140	11%
Depreciation and amortization	2,484,992	2,093,645	19%
Operating Profit	\$ 5,230,237	\$ 4,872,495	7%
Other income (expenses), net	94,791	51,467	84%
Comprehensive Financing Income, Net	- 2,453	127,430	(102%)
Non Ordinary Items	-	9,149	(100%)
Income Before Income Tax and Minority Interest	\$ 5,327,482	\$ 4,787,383	11%
Income Tax	1,013,182	677,055	50%
Net Profit	\$ 4,314,299	\$ 4,110,328	5%
Net income attribute to:			
Non-Controlling interest	172,670	245,804	(30%)
Controlling interest	4,141,629	3,864,524	7%
	\$ 4,314,299	\$ 4,110,328	5%

Income Statement by Segment

	4Q17	4Q16	% Var
CABLE OPERATIONS			
Income	4,025,111	3,792,521	6%
Cost of Services	1,126,062	989,250	14%
Gross Profit	2,899,050	2,803,271	3%
Operating and General Expenses	1,036,071	980,635	6%
EBITDA	\$ 1,862,979	\$ 1,822,636	2%
	46%	45%	
OTHER			
Income	490,388	708,469	(31%)
MCM	231,528	192,600	20%
HO1A	179,160	137,816	30%
HO1A CFE	0	293,531	(100%)
PCTV	79,700	84,523	(6%)
Cost of Services	137,126	432,043	(68%)
MCM	30,401	29,911	2%
HO1A	89,746	116,671	(23%)
HO1A CFE	0	258,306	(100%)
PCTV	16,978	27,155	(37%)
Gross Profit	353,262	276,426	28%
Operating and General Expenses	177,298	181,062	(2%)
MCM	107,545	100,135	7%
HO1A	24,201	32,195	(25%)
PCTV	45,552	48,732	(7%)
EBITDA			
MCM	93,582	62,553	50%
HO1A	65,213	-11,050	(690%)
HO1A CFE	0	35,225	(100%)
PCTV	17,169	8,636	99%
EBITDA	\$ 175,964	\$ 95,364	85%
	36%	13%	
TOTAL OPERATION			
Income	4,515,499	4,500,990	0%
Cost of Services	1,263,188	1,421,293	(11%)
Gross Profit	3,252,311	3,079,697	6%
Operating and General Expenses	1,213,369	1,161,696	4%
EBITDA	\$ 2,038,943	\$ 1,918,000	6%
	45%	43%	

Income Statement by Segment Accumulated

	12M17	12M16	% Var
CABLE OPERATIONS			
Income	15,414,514	14,572,269	6%
Cost of Services	4,095,593	4,108,549	(0%)
Gross Profit	11,318,922	10,463,720	8%
Operating and General Expenses	4,097,234	3,925,240	4%
EBITDA	\$ 7,221,688	\$ 6,538,480	10%
	47%	45%	
OTHER			
Income	1,872,324	2,430,157	(23%)
MCM	838,737	722,949	16%
HO1A	572,678	424,902	35%
HO1A CFE	161,999	994,429	(84%)
PCTV	298,910	287,877	4%
Cost of Services	720,409	1,391,000	(48%)
MCM	123,619	124,650	(1%)
HO1A	342,066	297,146	15%
HO1A CFE	133,328	857,115	(84%)
PCTV	121,396	112,088	8%
Gross Profit	1,151,915	1,039,157	11%
Operating and General Expenses	658,374	611,497	8%
MCM	407,476	355,071	15%
HO1A	97,367	101,527	(4%)
PCTV	153,531	154,898	(1%)
EBITDA			
MCM	307,642	243,228	26%
HO1A	133,245	26,229	408%
HO1A CFE	28,671	137,313	(79%)
PCTV	23,982	20,890	15%
EBITDA	\$ 493,541	\$ 427,660	15%
	26%	18%	
TOTAL OPERATION			
Income	17,286,839	17,002,426	2%
Cost of Services	4,816,002	5,499,549	(12%)
Gross Profit	12,470,837	11,502,877	8%
Operating and General Expenses	4,755,607	4,536,737	5%
EBITDA	\$ 7,715,229	\$ 6,966,140	11%
	45%	41%	