
MEGACABLE HOLDINGS ANNOUNCES A CHANGE IN THE ACCOUNTING POLICY REGARDING THE REGISTERING OF THE SUBSCRIBER ACQUISITION COST¹ AS FIXED ASSET AND ITS EFFECT OVER TIME

Guadalajara, Jalisco, July 20th, 2018. Megacable Holdings S.A.B. de C.V. (BMV: MEGA.CPO) informs that in order to align with the prevalent practices of the industry and in line with the most recent amendments to the International Financial Reporting Standards (IFRS) aimed towards the recognition of rights and obligations in the Statement of Financial Position from the moment they are known, the Administration has decided, as revised by the Audit Committee and approved by the Board of Directors, to make the following adjustments to the Subscriber Acquisition Cost registry and its effect over time:

Starting January 1st, 2018, the total cost related to the materials and labor involved in the installation of the necessary equipment's to provide our services, from our distribution network to the set top boxes in the home of the subscriber, is registered as Fixed Asset.

As of the same date, this asset will start its depreciation period based on the average period a customer is subscribed to our service.

For comparison purposes, in the report of the 2Q18 to public investors, we will include the 2017 financial information by quarter modified to reflect this change. Also, the information of the 1Q18 will be re-sent to the BMV and CNBV.

This modification was proposed by the Administration, has been reviewed by the firm of External Auditors and approved by the Audit Committee and the Board of Directors.

¹ For purposes of this press release, the Subscriber Acquisition Cost is defined as the materials and labor required for the installation of a new subscriber.

For more information visit www.megacable.com.mx or directly contact:

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About Megacable

Megacable Holdings, S.A.B. de C.V. is one of the largest Cable Telecommunications operator in Mexico, it is the main provider of high speed broadband by cable and digital telephony services by number of subscribers.

The Company has presence in 25 states and more than 350 municipalities, highlighting Guadalajara, Puebla, Toluca, León, Veracruz, Hermosillo, Culiacán, Morelia, Querétaro and Torreón. As of March 2018, Megacable has over 3.1 million paid TV subscribers by cable, approximately 2.7 million broadband subscribers and 1.5 million for telephony. Our coaxial cable and fiber network extends to more than 56 thousand kilometers covering more than 8.2 million homes passed. We have a modern infrastructure that allow us to offer digital services such as VOD, HDTV and DVR.

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