



Third Quarter 2008 Results

Guadalajara, Jalisco, Mexico, October 27, 2008 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV: MEGA CPO), Mexico's largest cable operator, announced today its results for the third quarter of 2008. Figures were prepared in accordance with Mexican Financial Reporting Standards.

All figures for 2008 are expressed in nominal pesos. All figures for 2007 are expressed in constant pesos as of December 31, 2007, unless indicated otherwise in this report.

Highlights

Consolidated Financial Results (1)	Non Audited		Variation
	As of September 30,		
Figures in millions of pesos	2008	2007	2008 vs 2007
Service Income For Cable Operations	4,112	2,801	47%
Adjusted EBITDA for Cable Operations	2,155	1,532	41%
Adjusted EBITDA Margin for Cable Operations	52.4%	54.7%	
Net Debt	1,298	1,258	3%
Net Debt/Annualized EBITDA	0.45	0.61	
Interest Coverage	15.25	10.48	
Operating Results			Variation
	3Q08	3Q07	3Q08 vs 3Q07
Homes Passed	3,931,870	2,726,000	44%
Network Kilometers	26,700	18,700	43%
Two-way Network Percentage	85%	84%	
Cable Television Subscribers (5)	1,441,020	989,954	46%
Digital Cable Subscribers	154,866	92,785	67%
Penetration Rate of Households	36.6%	36.3%	
HSD Internet Subscribers (5)	417,339	326,129	28%
Penetration Rate of Households	10.6%	12.0%	
Penetration Rate of Cable Subscribers	29.0%	32.9%	
Telephony Subscribers (5)	227,103	76,279	198%
Penetration Rate of Households	5.8%	2.8%	
Penetration Rate of Cable Subscribers	15.8%	7.7%	
Unique Subscribers (2)	1,495,394	1,022,140	46%
Revenue Generating Units (RGU's) (3)	2,085,462	1,392,362	50%
RGU's Per Unique Subscribers	1.39	1.36	2%
ARPU per Unique Subscriber (4)	\$ 335.6	\$ 350.41	-4%

Notes:

- (1) Starting October 2007, as a result of the Company's capital restructure, Megacable presents financial results on a consolidated basis. Megacable's combined financial statements include net assets and the operating results of all the companies where Megacable Holdings has a controlling participation as a result of the corporate restructure.
- (2) Unique Subscribers are defined as subscribers for services provided by our cable television, HSD Internet and digital telephony segments; this customer would be counted as only one "unique" customer. Additionally, if a single residential customer subscribes to cable television, HSD Internet and telephony, that customer would also be counted as a unique customer.
- (3) RGU's, or revenue generating units, are defined as unique services providers in our cable television, HSD Internet and telephony segments.
- (4) 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.
- (5) The subscribers acquired from Baja California Sur (12,000 video subscribers) and from Colima (17,000 video subscribers and 870 internet subscribers), approximately, are included in the Company's total subscribers base for 2008, as well as the 9,609 telephony subscribers from Maxcom, S.A. de C.V.

Executive Summary

At the close of September 2008, the number of video subscribers reached 1,441,020, internet subscribers reached 417,339 and telephony subscribers reached 227,103, representing year-over-year growth of 46%, 28% and 198%, respectively. During this period, we increased our marketing efforts and strengthened our sales force in order to increase the productivity of our sales channels and in order to drive product sales, but mainly of our triple-play service packages, which reached 1.39 RGU's per unique subscriber.

On the other hand, services income for cable operations increased 47% from September 2007 to September 2008, which was mainly attributable to the increase in subscribers in all three services. Adjusted EBITDA for cable operations increased 41% compared to the same period 2007. In an accumulated basis, Consolidated Services Income increased 46% and consolidated EBITDA increased 39%.

The Company's structure was considered healthy at the close of September 2008, with an annualized Net Debt / EBITDA ratio of 0.45x and an interest coverage of 15 times. The syndicated bank loan of 120 million dollars and 1,459 million pesos matures on August 23, 2010. This is a revolving credit which can be paid in advance without penalty, or in one single payment until maturity. Therefore, there is no pressure on liquidity in the short or medium-term concerning this liability. As of September 30, 2008 the line item for cash and short term investments was US\$ 62.5 million and Ps. 789 million.

It is worth mentioning that Megacable has no derivatives operations; therefore has no risk exposure to this market.

In terms of Megacable's services offering, as of the end of the third quarter of 2008, the Company successfully launched telephony services in the city of Leon located in the state of Guanajuato, therefore reaching 49 cities with this service.

As part of the Company's growth strategy, on July 23, 2008, we acquired the cable systems for the areas of La Paz, Mulege, Guerrero Negro, Ciudad Constitucion, Loreto and Santa Rosalia; all located in the state of Baja California Sur. These cities represent approximately 12,000 video subscribers, 465 kilometers of network, covering 59,110 homes passed, thus expanding Megacable's coverage. Additionally, on July 17, 2008 the Mexican Ministry of Communications and Transportation granted Megacable concessions, for the public telecommunications network, to operate in the cities of Los Barriles, La Rivera, Buena Vista and Todos los Santos, also in the state of Baja California Sur. These concessions are in the initial design and construction stages and are expected to offer video, voice and data services in the near future.

At September 30, 2008, the Company acquired from Mascom, S.A. de C.V. the cable systems for the cities of Colima, Villa de Alvarez, Comala, Cuauhtemoc, Coquimatlan and El Trapiche, all located in the state of Colima. As a result, we incorporated over 17,000 video subscribers and approximately 870 internet subscribers to the Company's subscriber base, thus adding over 315 kilometers of network and over 51,000 homes passed. With this acquisition, Megacable's coverage area increased from 23 to 24 of the Mexican states. Both acquisitions represent great growth potential given their current medium coverage.

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Operating Results

MEGACABLE HOLDINGS S. A. B. DE C. V.					
OPERATING DATA					
THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2007 & 2008					
	3Q08	3Q07	2Q08	Variation 3Q08 VS 3Q07	Variation 3Q08 VS 2Q08
ARPU (1,2) (Ps.)					
Unique Subscribers	335.6	350.4	328.6	-4%	2%
Video	239.5	242.3	231.7	-1%	3%
Internet	213.4	240.1	223.3	-11%	-4%
Telephony	182.7	184.4	161.4	-1%	13%

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) The average video ARPU calculation does not include the subscribers acquired from the State of Colima, which was acquired on September 30, 2008, since these operations were absorbed into Megacable's operations beginning October 1, 2008.

Video Segment

The number of video subscribers for the third quarter 2008 reached 1,441,020 subscribers, an increase of 46%, compared to the figure as of September 30, 2007. Net adds from 2Q08 to 3Q08, reached 52,264.

Video ARPU reached Ps. 239 during the third quarter 2008, a decrease of 1%, compared to the figure at September 30, 2007. This decrease was mainly due to the incorporation of new systems at lower tariff rates. When compared to 2Q08, Video ARPU increased 3%. The average monthly churn rate increased from 3.2% in 3Q07 to 3.4% in 3Q08. This increase was driven by a higher penetration in the low-income segments.

Internet Segment

HSD Internet subscribers for the third quarter 2008 reached 417,339 subscribers, an increase of 28%, compared to 3Q07. This increase was mainly driven by a higher number of triple-play packages purchased by Megacable's subscribers, an increase of package promotions and a more effective marketing campaign. Net adds from 2Q08 to 3Q08, reached 17,663. The average monthly churn rate increased from 3.5% in 3Q07 to 4.0% in 3Q08, and decreased 0.3% compared to 2Q08.

Internet ARPU for the third quarter 2008, reached Ps. 213, a decrease of 11%, compared to the third quarter 2007, mainly due to discounts for triple-play packages, as well as a higher subscriber growth at lower speeds. Internet ARPU for the 3Q08 registered a decrease of 4%, compared to 2Q08.

Telephony Segment

During the third quarter 2008, Megacable launched telephony service in the city of Leon, Guanajuato, one of the most populated cities in Mexico. As of September 30, 2008 Megacable's telephony service reached 49 areas. Telephony segment for the third quarter 2008 reached 227,103 subscribers, an increase of 198%, compared to 3Q07. Net adds, from 2Q08 to 3Q08, reached 57,484.

It is worth mentioning that in September 2008, Megacable and Maxcom, S.A.B. de C.V. agreed to terminate the commercial agreement in the cities of Queretaro and Toluca. As a result, Megacable added approximately 9,609 new subscribers. The network infrastructure in these areas belongs to Megacable.

In addition, Telephony ARPU decreased 1% to Ps. 183, compared to the third quarter 2007. As was the case in the internet segment, this decline was mainly driven by a higher number of triple-play packages purchased by Megacable's subscribers, at a discounted price. Telephony ARPU for the 3Q08 increased 13%, compared to 2Q08. The average monthly churn rate reached 5.4% in 3Q08, compared to 5.0% in 3Q07.

Unique Subscribers and RGU's:

The number of unique subscribers reached 1,495,394, an increase of 46% compared to 3Q07. ARPU per unique subscriber reached Ps. 336 a decrease of 4%, compared to 3Q07, mainly due to the decline in ARPUs in the individual segments and due to the acquired systems during the second semester 2007 and the nine months ended as of September 30, 2008 with lower level of income compared with Megacable. Therefore, not considering those acquisitions this line item reached Ps. 385, 10% higher than 3Q07. When compared with 2Q08, ARPU per unique subscriber increased 2%.

On the other hand, the Company's revenue generating units ("RGUs") increased 50%, reaching 2,085,462; RGUs per unique subscriber, reached 1.39 in 3Q08 from 1.36 in 3Q07. Not considering the acquired systems during 2H07 and the first nine months of 2008, RGUs per unique subscriber reached 1.52 services. Therefore we consider that this indicator should be increasing as the acquired areas are integrated to Megacable standards.

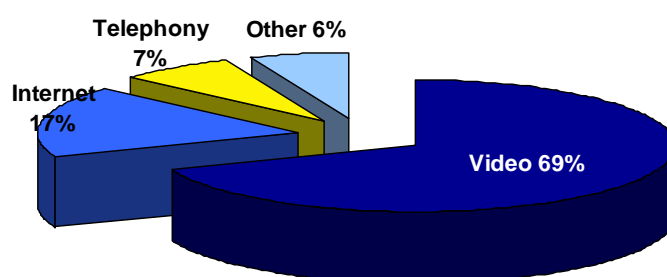
Homes Passed and Network

The number of homes passed during the third quarter 2008, reached 3.9 million an increase of 44%, mainly as a result of the Company's organic growth, as well as the acquisitions made during the period. In addition, the network increased 43% for a total of 26,700 kilometers with an 85% bidirectional rate.

Consolidated Results

	In millions of Pesos				Nine-Month Period Ended September 30,			
	3Q08		3Q07		2008		2007	
Video	1,016	69%	684	67%	2,963	69%	1,932	66%
Internet	257	17%	227	22%	803	19%	700	24%
Telephony	105	7%	38	4%	255	6%	93	3%
Other	92	6%	74	7%	275	6%	210	7%
Total	1,471	100%	1,023	100%	4,296	100%	2,935	100%

Services income increased 44% in 3Q08 compared to 3T07 and 46% for the first nine months of 2008. The largest increase took place in telephony service, which is a recently-launched product in several of the concession areas, followed by the video segment, which was also driven by growth in the acquired areas. As a result, per the Company's revenue structure, the largest sector continues to be video representing 69% of income, followed by high-speed internet with 17%, and telephony services, which continues to gain a larger share, with 7%, for the third quarter of 2008.



Cost of services increased 61% for the third quarter period compared to the same period of 2007, mainly due to the increase in subscribers for the three services. Cost of services increased in proportion to sales income and grew due to advertising costs as well as the reduction in ARPU in all three services, stemming from the previously-mentioned marketing strategies, implemented in order to attract a higher number of triple-pay subscribers.

On the other hand, operating and general costs increased 33%, driven by a larger operations and sales structure, as well as by the increase in labor expenses, for the incorporation of the acquisitions as well as the increases in the sales force. However, this increase was lower than the growth in services income.

As a result, net income increased 21% for the nine-month period ended September 30, 2008, compared to the same period of 2007.

Adjusted EBITDA for Cable Operations & Consolidated EBITDA

Adjusted EBITDA for Cable Operations						Variation %
In thousands of Pesos	3Q08	3Q07	3Q08 vs 3Q07	As of September 30,		2008 vs 2007
				2008	2007	
Consolidated operating Income	\$ 556,623	\$ 389,813	43%	\$ 1,745,050	\$ 1,192,308	46%
Less operating Income (Loss) of MCM Holding	-\$ 4,231	-\$ 4,929	-14%	- 9,575	\$ 3,343	-386%
Operating Income for Cable Operations	560,854	394,742	42%	1,754,626	1,188,965	48%
Plus Consolidated depreciation and amortization	137,865	92,307	49%	391,246	269,905	45%
Less depreciation and amortization of MCM Holding	8,115	8,231	-1%	24,012	24,113	0%
Plus Non-recurring items	5,008	45,862	-89%	32,853	97,130	-66%
Adjusted EBITDA for Cable Operations (1)	\$ 695,612	\$ 524,680	33%	\$ 2,154,713	\$ 1,531,887	41%
Total Income excluding MCM	\$ 1,406,621	\$ 973,225	45%	\$ 4,111,714	\$ 2,801,095	47%
Adjusted EBITDA Margin for Cable Operations	49.5%	53.9%		52.4%	54.7%	
Consolidated EBITDA (2)	\$ 699,496	\$ 527,982	32%	\$ 2,169,149	\$ 1,559,342	39%
Consolidated EBITDA Margin	47.6%	51.6%		50.5%	53.1%	

Notes:

- (1) Adjusted EBITDA is calculated by adding to net income the following: depreciation and amortization, net comprehensive financing income, other net income, non ordinary expenses (income), total tax, provisions for labor obligations, equity in income of associated companies and minority interest, less MCM EBITDA.
- (2) Consolidated EBITDA is calculated by adding to the net income the following: depreciation and amortization, net comprehensive financing income, other net income, non ordinary expenses (income), total tax, provisions for labor obligations, equity in income of associated companies and minority interest.

Adjusted EBITDA for the cable operations for the first nine months of 2008 reached Ps. 2,155 million with a 52.4% margin. This represented an increase of 41% compared to the same period of 2007.

Similarly, in consolidated terms, EBITDA reached Ps. 2,169 million for the first nine months of 2008, with a total margin over income of 50.5% and an accumulated increase of 39% compared to the first nine months of 2007.

Liquidity, Debt and Capital Structure

Liquidity

At September 30, 2007, the Company had an escrow, from a bank loan for the acquisition of Acotel, which reached approximately US\$ 256 million waiting the authorization of anti-trust commission, COFECO (*Comisión Federal de Competencia*) for the definitive terms of the operation, which concluded on November 15, 2007. As a result, the Company shows a decrease in the liquidity indicators for 2007 to 2008. However, by excluding the amount of cash for the acquisition of Acotel, liquidity ratio increased from 2.40x in 2007 to 3.14x in 2008.

As of September 30,			
Liquidity Ratio	2008	2007	2007*
Assets Ratio	3.14	6.99	2.40

* Excluding a Ps. 256 million from the escrow.

Property, Plant and Equipment

This line item increased Ps.1,716 million, mainly due to the network system assets that were integrated into the Company's integrated systems, as well as capital expenditures for the period.

Net Asset Goodwill

The net mercantile credit for the third quarter 2008, reached Ps. 4,276 million from Ps. 1,626 million in 2007, mainly due to the acquisitions of Acotel and TCO, which took place on November 2007, as well as the acquisitions made in 2008.

Net Debt

The Company's capital structure has notably improved from September 2007 to September 2008, due to the capitalization derived from the Initial Public Offering that took place on November 7, 2007. As a result, payments for approximately US\$ 200 million in liabilities took place, which resulted in a decline in the Company's debt indicators.

As of September 30,		
Debt Ratios	2008	2007
Debt Ratio	0.34	0.63
Debt to Equity Ratio	0.51	1.73
Net Debt/ Annualized EBITDA	0.45	0.61
Interest Coverage	2008	2007
EBITDA/ Interests Expenses	15.25	10.48

Net debt in dollars represented US\$ 57.5 million, which the Company does not consider could materially affect future results. In terms of financial indicators, the annualized net debt / EBITDA coverage improved in the annual periods 0.61x in 2007 to 0.45x in 2008, as well in interest coverage which went from 10.5x to 15.3x.

In thousands of Pesos	3Q08	3Q07
Short Term Debt	1,803	-
One year maturity of long term bank loans	1,803	-
Long Term Debt	2,769,839	5,130,719
Bank Loans	2,768,764	5,130,719
Accounts Payable	1,075	-
Total Debt	2,771,642	5,130,719
Cash and Short Term Investments	1,473,811	3,872,775
Net Debt	1,297,831	1,257,944

It is worth mentioning that Megacable does not have derivative transactions. As of September 30, 2008, the Company possesses cash and short-term investments in foreign currency for a total of US\$ 62.5 million.

Debt and Cash & Short Term Investments		
As of September 30, 2008		
	U.S. DLLS.	In Pesos
Debt	\$1,313	\$1,459
Cash and Short Term Investments	\$684	\$789
Exchange Rate	10.9397 Dlls./Pesos	
*In Million Pesos		

The syndicated bank loan is a revolving credit that matures in August 23, 2010. It is allowed to make advance payments without penalty, or could also be paid in a single installment at maturity.

Shareholders' Equity

Shareholders' equity increased 126%, mainly supported by the net premium of the Company's initial public offering, as well as the growth in retained earnings.

It is worth mentioning that during the third quarter 2008, the Company initiated the Share Repurchase Program for Ps. 209 million, authorized at the Company's shareholders' meeting, which took place on April 21, 2008. The Share Repurchase Program began operating on August 19, 2008 and as of September 2008, Megacable's treasury holds 1,800,600 CPO's. The remaining funds are reflected under the "Share Repurchase Reserve" line item. As of September 30, 2008, the Company has used approximately Ps. 33 million of the Share Repurchase Program.

CAPEX

During the third quarter 2008, Megacable invested Ps. 276 million. For the first nine months ended September 30, 2008, the Company registered capital expenditures of Ps. 842 million, mainly allocated towards the construction and upgrade of the cable network, subscriber equipment and the purchase of computer and transportation equipment. As a

result, Megacable has exercised approximately 83% of the Company's CAPEX for the 2008 period.

About the Company

Megacable is the largest cable operator in Mexico in terms of number of subscribers, and is the main provider of high speed data Internet services, and digital telephony over cable network according to the National Chamber of Cable Telecommunications (CANITEC). The Company operates in 24 states in Mexico and over 200 municipalities. As of September 30, 2008, the Company had 7,676 employees.

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.

Stock Information	
Ticker	MEGA.CPO
2 Series "A" Shares =	1 CPO
Total Outstanding Series	
"A" Shares	1,717,754,473
Outstanding CPOs	196,155,303
CPOs in Treasury	1,800,600

Quarterly Income Statement

MEGACABLE HOLDINGS, S. A. B. DE C.V.			
For the three-month period ended September 30, 2007 & 2008			
In thousands of Pesos	<u>Non Audited</u>		Variation
	3Q08	3Q07	3Q08 vs 3Q07
Services Income	\$ 1,470,917	\$ 1,023,003	44%
Cost of Services	414,502	\$ 257,934	61%
Gross Profit	\$ 1,056,415	\$ 765,069	38%
Operating and General Expenses (1)	499,792	375,256	33%
Other income (expenses), net	6,113	18,829	(68%)
Comprehensive Financing Income, Net	59,860	11,251	432%
Equity in income of associated companies	257	109	135%
Non ordinary item	0	22,092	(100%)
Income Before Income Tax and Minority Interest	\$ 502,619	\$ 375,190	34%
Income Tax	- 21,140	-154,421	(86%)
Income Before Minority Interest	\$ 523,759	\$ 529,611	(1%)
Minority Income	5,355	30	17541%
Net Profit	\$ 518,404	\$ 529,580	(2%)

NOTE:

(1) Depreciation and amortization for the periods ended September 30, 2008 and 2007, was of Ps. 137,865 thousand and Ps. 92,307 thousand, respectively.

Nine- Months Period Income Statement

MEGACABLE HOLDINGS, S. A. B. DE C.V.

For the nine-month period ended September 30, 2007 & 2008

In thousands of Pesos	Non Audited		variation 2008 vs 2007
	as of September 30th, 2008	2007	
Services Income	\$ 4,295,646	\$ 2,934,771	46%
Cost of Services	1,125,578	712,121	58%
Gross Profit	\$ 3,170,068	\$ 2,222,650	43%
Operating and General Expenses (1)	1,425,018	1,030,342	38%
Other income (expenses), net	37,731	35,296	7%
Comprehensive Financing Income, Net	68,796	34,330	100%
Equity in income of associated companies	775	765	1%
Non ordinary item	0	22,092	(100%)
Income Before Income Tax and Minority Interest	\$ 1,713,210	\$ 1,170,417	46%
Income Tax	56,797	- 178,069	(132%)
Income Before Minority Interest	\$ 1,656,413	\$ 1,348,486	23%
Minority Income	22,979	91	25092%
Net Profit	\$ 1,633,434	\$ 1,348,394	21%

NOTE:

- (1) Depreciation and amortization for the periods ended September 30, 2008 and 2007, was of Ps. 391,246 thousand and Ps. 269,905 thousand, respectively.

Balance Sheet

MEGACABLE HOLDINGS, S. A. B DE C. V.		
Balance Sheet (Non Audited)		
	As of September 30th,	
	2008	2007
	<u>Consolidated</u>	<u>Combined</u>
ASSETS		
CURRENT ASSETS:		
Cash and short term investments	1,473,811	3,872,775
Accounts receivable from customers and other	177,496	146,330
Recoverable taxes	89,340	143,316
Affiliated an associated companies	-	-
Inventories	181,445	84,526
Total Current Assets	1,922,093	4,246,947
Investment in shares of associated companies	46,322	46,990
Property, systems and equipment, net	4,986,145	3,270,404
Goodwill, net	4,276,326	1,626,086
Preoperating expenses, net	10,769	27,600
Other assets	374,131	70,584
Total Assets	11,615,785	9,288,610
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Suppliers	302,761	237,091
One-year maturity of long term liabilities	1,803	-
Affiliated and Associated Companies	73,593	43,951
Accounts payable and accrued expenses payable	234,034	326,314
Total Current Liabilities	612,190	607,356
LONG TERM LIABILITIES		
Bank loans	2,768,764	5,130,719
Labor obligations	55,885	49,035
Accounts Payable	1,075	-
Deferred Income Tax	192,096	65,238
Deferred Flat Tax (IETU)- Net	305,492	-
Deferred Goodwill, net	649	31,738
Total Long Term Liabilities	3,323,962	5,276,731
Total Liabilities	3,936,153	5,884,087
STOCKHOLDERS' EQUITY		
Capital Stock	918,350	1,002,841
Premium on subscription of shares	4,999	4,999
Net Premium on the placement of shares	2,104,671	-
Cumulative effect of deferred income tax	- 48,891	- 48,887
Surplus in the restatement of stockholders' equity	-	31,079
Retained Earnings	4,389,441	2,413,749
Share repurchase reserves (1)	175,687	-
Minority Interest	135,376	741
Total Stockholders' Equity	7,679,632	3,404,523
Total Liabilities & Stockholders' Equity	11,615,785	9,288,610

NOTE:

- (1) The share repurchase reserves reflect the remaining funds available for the repurchase of shares, it is calculated by subtracting the amount exercised to date from the total amount authorized (Ps. 209 million),