



Fourth Quarter 2008 Results

Guadalajara, Jalisco, Mexico, February 24, 2009 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV: MEGA.CPO), announced today its results for the fourth quarter ended December 31, 2008. Figures were prepared in accordance with Mexican Financial Reporting Standards.

Highlights

Consolidated Financial Results	2008 Non Audited		Variation
	as of December 31,		
Figures in millions of pesos	2008	2007	2008 vs 2007
Service Income	5,860	4,166	41%
Adjusted EBITDA for Cable Operations (1)	2,798	2,154	30%
Adjusted EBITDA Margin for Cable Operations	50.0%	54.2%	
Consolidated EBITDA	2,819	2,165	30%
Consolidated EBITDA Margin	48.1%	52.0%	
Net Income	1,849	1,526	21%
Net Debt	1,256	1,932	-35%
Net Debt/Annualized EBITDA	0.45	0.89	
Interest Coverage	14.61	9.37	

Operating Results			Variation
	4Q08	4Q07	4Q08 vs 4Q07
Homes Passed	4,152,692	3,593,684	16%
Network Kilometers	28,258	24,286	16%
Two- way Network Percentage	88%	84%	
Cable Television Subscribers	1,482,761	1,298,438	14%
Digital Cable Subscribers	164,899	109,096	51%
Penetration Rate of Households	35.7%	36.1%	
HSD Internet Subscribers	427,190	384,794	11%
Penetration Rate of Cable Subscribers	28.8%	29.6%	
Telephony Subscribers	276,546	109,051	154%
Penetration Rate of Cable Subscribers	18.7%	8.4%	
Unique Subscribers	1,534,829	1,328,521	16%
Revenue Generating Units (RGU's) (2)	2,186,497	1,779,769	23%
RGU's Per Unique Subscribers	1.42	1.34	6%
ARPU per Unique Subscriber (3)	\$ 343.9	\$ 332.41	3%

Notes:

- (1) Adjusted EBITDA is the result of adding, to the net income (loss) of the Company, depreciation and amortization, the net integral financing result, other income and non-recurring expenses (income), total taxes and employee profit sharing, income from affiliates and minority interest; then subtract the EBITDA from MCM.
- (2) RGU's, or revenue generating units, are defined as unique service providers in our cable television, HSD Internet and telephony segments.
- (3) 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.

Executive Summary

During 2008, Megacable added to its network, 184,323 new video subscribers, 42,396 HSD internet subscribers, and 167,495 telephony subscribers, which represented increases of 14%, 11% and 154%, respectively, ending the year with 1,482,761 video subscribers, 427,190 HSD internet subscribers and 276,546 telephony subscribers; thereby achieving another year of growth. In terms of RGUs, the amount increased 23%, reaching 2,186,497 units, while RGUs per unique subscriber increased from 1.34 to 1.42 services.

In 2008, the Company made significant capital investments totaling Ps. 1,117 million, which allowed Megacable to increase its network by approximately 4,000 kilometers to reach 28,258 km, of which 88% are bidirectional; thus bringing state-of-the art technology to approximately 4.15 million homes passed.

As a result of the acquisition of cable systems within close proximity to the Company's coverage, 59 thousand new subscribers were added to Megacable's network during 2008. It is worth mentioning that these acquisitions took place during the first nine months of 2008 in the states of Michoacán, Estado de Mexico, Baja California Sur, Veracruz and Colima, thereby increasing Megacable's coverage to 24 Mexican states.

Regarding the Company's financial results, as of December 31, 2008 service income reached Ps. 5,860 million, of which 68% was derived from the video segment, 18% from HSD internet, 7% from telephony and 7% from other operating income, resulting in a 41% increase when compared to the full year of 2007. Comparing 4Q08 against 4Q07 this line item had an increase of 27%, considering that Acotel and TCO acquisitions were completed in the last quarter of 2007 when their operations were incorporated into Megacable's results.

In nominal terms, consolidated EBITDA increased 30% for the full year 2008 when compared to 2007, and 16% from 4Q07 to 4Q08. During the fourth quarter of 2008, the deterioration of the economy resulted in a higher fluctuation of the peso-dollar exchange rate which impacted approximately a third of the Company's costs and expenses which are denominated in US dollars. As a result of the above and combined with a greater marketing effort, consolidated EBITDA margin decreased from 46% in 4Q07 to 43% in 4Q08. Adjusted EBITDA margin for cable operations decreased from 50% to 44% in the same period. In response to the economic situation, Megacable will work towards optimizing each cost and expense line. However, margin recovery will be gradual, through the addition of RGUs and the increase in ARPUs, as well as through market-permitting increases in tariff rates.

On the other hand, consolidated net income increased 21%, in nominal terms, from 4Q07 to 4Q08; it also increased 21% in 2008 when compared to 2007 to reach the amount of Ps. 1, 849 million at the end of the year.

As of December 31, 2008, cash and short term investments increased by Ps. 876 million reaching Ps. 1,857 million, of which 22% is denominated in US dollars and 78% is denominated in pesos. This line item increased 89% year-over-year. In addition, Megacable continued improving its financial structure with a Net Debt / Consolidated EBITDA ratio of 0.45x and an interest coverage ratio of 15x, which positions the Company favorably for maintaining its growth. Debt in dollars registered US\$ 120 million, while debt in pesos reached Ps. 1,456 million.

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Operating Results

MEGACABLE HOLDINGS S. A. B. DE C. V.					
THREE-MONTH PERIODS ENDED DECEMBER 31, 2007 & 2008, and September 30, 2008					
	4Q08	4Q07	3Q08	Variation 4Q08 vs 4Q07	Variation 4Q08 vs 3Q08
ARPU (1) (Ps.)					
Unique Subscribers	343.9	332.4	335.6	3%	2%
Video	237.7	234.6	239.5	1%	-1%
Internet	199.1	209.6	213.4	-5%	-7%
Telephony	195.6	294.1	182.7	-33%	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.

Video Segment

During 4Q08, the Company successfully implemented new strategies which drove a substantial improvement in subscriber retention and an increase in the number of reconnections. This resulted in the addition of 41,741 subscribers from 3Q08 to 4Q08, which represents an organic growth of 79% compared to net adds of 3Q08. Notably, this strategy benefited from the seasonality caused by the additional income registered by families during December driven by year-end bonuses. As a result, the video segment reached 1,482,761 subscribers, an increase of 14% when compared to the fourth quarter of 2007. Due to the above mentioned strategies, the monthly average churn rate declined from 3.0% in 4Q07 to 2.7% in 4Q08.

Video ARPU reached Ps. 237.7 during 4Q08, representing an increase of 1% when compared to 4Q07. This growth was mainly due to a 4.5% rate increase passed at the end of December to subscribers that do not have a triple play package, and due to the gradual increases in rates throughout the year in the cable systems acquired during 2007. Video ARPU slightly decreased, by 1%, when compared to 3Q08 due to the promotions done in order to retain subscribers.

Internet Segment

HSD Internet subscribers for the fourth quarter of 2008 reached 427,190, an increase of 11%, compared to 4Q07 reaching a penetration rate over video subscribers of 29%. Net adds for 4Q08, reached 9,851 subscribers, which were lower when compared to 3Q08, mainly due to more aggressive marketing campaigns by Megacable's competitors, offering financing for computer equipment in addition to internet service. On the other hand, the average monthly churn rate increased from 3.9% in 4Q07 to 4.3% in 4Q08 due to a higher penetration in lower income segments.

Internet ARPU for fourth quarter 2008, reached Ps. 199.1, a decrease of approximately 5%, when compared to fourth quarter 2007, mainly due to discounts for triple play packages, as well as higher subscriber growth for lower speed products. Internet ARPU for 4Q08 registered a decrease of 7% when compared to 3Q08.

Telephony Segment

Telephony subscribers reached a total of 276,546 for the fourth quarter of 2008, an increase of 154%, compared to 4Q07. Net adds for the period between 3Q08 and 4Q08 reached 49,443; this represented 3% organic growth driven by the launching of this service in new areas and the offering of better packages. The average monthly churn rate reached 4.8% in 4Q08, a remarkable improvement when compared to 6.7% in 4Q07.

Telephony ARPU increased 7% when compared to 3Q08 to Ps. 195.6 due to a more effective promotion of additional services such as long distance packages and additional lines. Compared to 4Q07, ARPU decreased 33% year-over-year. This decline was mainly driven by lower average revenue due to more aggressive pricing policies, mainly for those clients who acquire our triple play packages at lower rates. It is worth mentioning that the percentage of triple play subscribers over unique subscribers, increased from 4.8% in 4Q07 to 12.8% in 4Q08. Megacable will continue with this strategy going forward.

Unique Subscribers and RGU's:

The number of unique subscribers reached 1,534,829 in 4Q08, an increase of 16% compared to 4Q07. ARPU per unique subscriber reached Ps. 343.9 an increase of 3%, compared to 4Q07 and an increase of 2% compared to 3Q08, mainly due to a higher number of triple play packages purchased by Megacable's subscribers which resulted in higher ARPU per subscriber, a higher retention as well as higher savings for these subscribers.

The Company's revenue generating units ("RGUs") reached 2,186,497 in 4Q08, an increase of 23% when compared to 4Q07; RGUs per unique subscriber, reached 1.42 in 4Q08 from 1.34 in 4Q07.

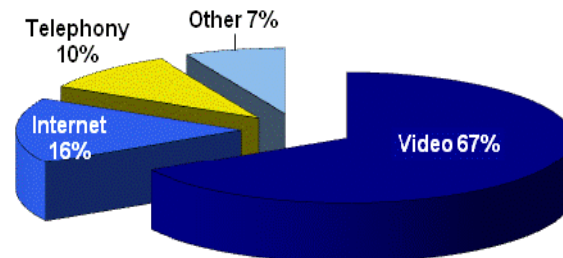
Homes Passed and Network

The number of homes passed during the fourth quarter of 2008 increased by 16% surpassing 4.15 million, mainly as a result of the Company's organic growth via the construction of 2,374 km of network, as well as the acquisitions made during 2008 which added 1,598 km. As of the end of 2008, the Company's network reached 28,258 km with an 88% bidirectional rate.

Consolidated Results

	In millions of Pesos				Twelve-month periods ended December 31,			
	4Q08		4Q07		2008		2007	
Video	1,044	67%	839	68%	4,007	68%	2,771	67%
Internet	253	16%	230	19%	1,056	18%	929	22%
Telephony	155	10%	80	7%	410	7%	174	4%
Other	112	7%	82	7%	388	7%	292	7%
Total	1,564	100%	1,231	100%	5,860	100%	4,166	100%

Service income increased 27% in 4Q08 compared to 4Q07 and 41% for the full year of 2008 compared to 2007. Therefore, per the Company's revenue structure, the largest sector in the fourth quarter of 2008 continues to be video representing 67% of income, followed by high-speed internet with 16%, and telephony services with 10%. In the Other segment, MCM, Metrocarrier, Videorola and Megacanal increased 37% in 2008 compared to 2007, along with positive margins.



Cost of services increased 54% for the fourth quarter 2008 compared to the same period of 2007, mainly due to the increase in subscribers at lower average revenues reflected in the 23% year-over-year increase in RGUs, as well as a 22% depreciation in the peso-dollar exchange rate. Cost of services as a percentage of services income rose from 26% in 4Q07 to 32% in 4Q08, due to the aforementioned peso depreciation.

As a percentage of services income, operating and general expenses decreased from 44% in 4Q07 to 40% in 4Q08, mainly as a result of Megacable's synergies implemented in the concessions acquired during the second half of 2007. On the other hand, this line item increased 16% in 4Q08 compared to 4Q07, driven by a larger operation and sales structure, as well as higher network maintenance expenses, electricity, seniority provisions and legal severance reserve; the latter two based on a valuation study according to the NIF D-3 regulation.

Moreover and as a result of the US dollar strengthening, the net integral financial result registered a significant increase due to a Ps. 301 million net exchange loss, derived from the US\$91 million net debt denominated in dollars.

Net income for the fourth quarter of 2008 increased 21% when compared to the fourth quarter of 2007, due partially to the cancelation of a deferred in excess IETU provision stemming from the recalculation of projections which indicates that the Company will likely generate income tax (ISR) beginning in the second half of 2009. This effect is reflected in the income tax line.

Adjusted EBITDA for Cable Operations & Consolidated EBITDA

EBITDA							
In thousands of Pesos	4Q08	4Q07	4Q08 vs 4Q07	As of December 31,		2008 vs 2007	
				2008	2007		
Consolidated operating Income	\$ 434,860	\$ 365,859	19%	\$ 2,179,911	\$ 1,558,167	40%	
Less operating Income (Loss) of MCM Holding	- 16,389	- 32,421	-49%	- 25,964	- 29,078	-11%	
Operating Income for Cable Operations	451,249	398,280	13%	2,205,875	1,587,245	39%	
Plus Consolidated depreciation and amortization	185,789	147,262	26%	577,035	417,167	38%	
Less depreciation and amortization of MCM Holding	22,652	16,040	41%	46,664	40,152	16%	
Plus Non- recurring items	43,462	57,909	-25%	61,889	189,444	-67%	
Adjusted EBITDA for Cable Operations (1)	\$ 657,848	\$ 587,412	12%	\$ 2,798,135	\$ 2,153,704	30%	
Total Income excluding MCM	\$ 1,484,163	\$ 1,171,800	27%	\$ 5,595,877	\$ 3,972,895	41%	
Adjusted EBITDA Margin for Cable Operations	44.3%	50.1%		50.0%	54.2%		
Consolidated EBITDA (2)	\$ 664,111	\$ 571,031	16%	\$ 2,818,835	\$ 2,164,779	30%	
Consolidated EBITDA Margin	42.5%	46.4%		48.1%	52.0%		

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 full year of 2008 reached Ps. 2,798 million with a 50.0% margin. This represented an increase of 30% in absolute terms compared to the same period of 2007. Similarly, in consolidated terms, EBITDA reached Ps. 2,819 million for the twelve months of 2008, with a margin over total service income of 48.1%, and representing an increase of 30% compared to the twelve months of 2007.

Adjusted EBITDA for the cable operations for fourth quarter 2008 increased by 12%, mainly due to an increase in cost of services driven by the peso depreciation versus the US dollar during the fourth quarter 2008, while EBITDA margin decreased from 50.1% in 4Q07 to 44.3% in 4Q08. In addition, consolidated EBITDA increased 16% in nominal terms in 4Q08 compared to 4Q07, with a decrease in margin from 46.4% to 42.5% during the same comparative periods.

Liquidity, Debt and Capital Structure

Liquidity

The Company's current ratio improved slightly from 2.37 in 2007 to 2.40 in 2008. This increase was mainly due to higher cash levels.

	As of December 31,	
Liquidity Ratio	2008	2007
Current Ratio	2.40	2.37

Property, Plant and Equipment

This line item increased by 25% or Ps.1,054 million, mainly due to the acquisition of the cable system assets in 2008 and the construction of new kilometers of network as organic growth.

Net Debt

The Company's capital structure is considered healthy with stable ratios. Despite the conversion into Mexican pesos of the US dollar denominated bank loan, there was an improvement in debt ratios, due to the Company's generation of cash as well as the increase in accumulated net profits.

	As of December 31,	
Debt Ratios	2008	2007
Debt Ratio	0.37	0.40
Debt to Equity Ratio	0.59	0.68
Net Debt/ Annualized EBITDA	0.45	0.89
Interest Coverage	2008	2007
EBITDA/ Interest Expenses	14.61	9.37

Net debt in dollars was US\$ 91 million. In terms of the Company's financial solvency, EBITDA to interest expense coverage improved from 9.37x in 2007 to 14.61x in 2008.

In thousands of Pesos	4Q08	4Q07
Short Term Debt	3,372	59,309
One year maturity of long term bank loans	3,372	59,309
Long Term Debt	3,109,562	2,852,928
Bank Loans	3,108,856	2,852,928
Accounts Payable	706	-
Total Debt	3,112,934	2,912,237
Cash and Short Term Investments	1,856,586	980,693
Net Debt	1,256,348	1,931,544

During 2008, Megacable had no derivative transactions. As of December 31, 2008, the Company held cash and short-term investments in foreign currency for a total of US\$ 29 million.

Debt and Cash & Short Term Investments

As of December 31, 2008

	U.S. DLLS. Converted into Pesos	In Pesos
Debt	\$1,652,856	\$1,456,000
Cash and Short Term Investments	\$403,742	\$1,452,845
Exchange Rate	13.7738 Dlls./Pesos	

***In Thousands of Pesos**

The syndicated bank loan is a revolving credit that matures on August 23, 2010. Advance payments are permitted without penalty, or it may be paid in one single installment at maturity.

Shareholders' Equity

Shareholders' equity increased 29%, driven by the growth in retained earnings.

During the fourth quarter of 2008, the Company intensified its Share Repurchase Program aiming to increase the stock's liquidity in the market. The Share Repurchase Program began operating on August 19, 2008 and as of December 31, 2008, Megacable's treasury holds 5,040,400 CPO's. The remaining funds are reflected under the "Share Repurchase Reserve" line item. As of December 31, 2008, the Company had allocated approximately Ps. 81 million.

CAPEX

During the fourth quarter of 2008, the Company invested Ps. 275 million. As of December 31, 2008, the Company reported capital expenditures of Ps. 1,117 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 exercised 100% 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 December 31, 2008, the Company had 8,252 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	1,711,274,873
Outstanding CPOs	192,915,503
CPOs in Treasury	5,040,400
As of December 31, 2008	

Quarterly Income Statement

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

For the three-month period ended December 31 2008 & 2007

In thousands of Pesos	<u>Non Audited</u>	<u>Audited</u>	<u>Variation</u>
	4Q08	4Q07	4Q08 vs 4Q07
Services Income	\$ 1,564,413	\$ 1,231,249	27%
Cost of Services	501,344	\$ 324,562	54%
Gross Profit	\$ 1,063,070	\$ 906,687	17%
Operating and General Expenses (1)	628,209	540,828	16%
Other income (expenses), net	-13,024	-136,901	(90%)
Comprehensive Financing Income, Net	327,968	-3,205	(10334%)
Equity in income of associated companies	-775	5,021	(115%)
Non ordinary item	0	-61,955	(100%)
Income Before Income Tax and Minority Interest	\$ 94,644	\$ 289,097	(67%)
Income Tax	- 110,539	118,869	(193%)
Income Before Minority Interest	\$ 205,183	\$ 170,228	21%
Minority Income	-10,744	-7,553	42%
Net Profit	\$ 215,927	\$ 177,782	21%

NOTE:

(1) Depreciation and amortization for the periods ended December 31, 2008 and 2007, was of Ps. 185,789 thousand and Ps. 147,262 thousand, respectively.

Full-Year Income Statement

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

For twelve month period ended as of December 31, 2008 & 2007

In thousands of Pesos	<u>Non Audited</u>	<u>Audited</u>	Variation 2008 vs 2007
	as of December 31,		
	2008	2007	
Services Income	\$ 5,860,059	\$ 4,166,020	41%
Cost of Services	1,626,921	1,036,683	57%
Gross Profit	\$ 4,233,138	\$ 3,129,337	35%
Operating and General Expenses (1)	2,053,227	1,571,170	31%
Other income (expenses), net	24,708	109,448	(77%)
Comprehensive Financing Income, Net	396,764	31,125	1175%
Equity in income of associated companies	0	5,786	(100%)
Non ordinary item	0	-39,863	(100%)
Income Before Income Tax and Minority Interest	\$ 1,807,854	\$ 1,670,567	8%
Income Tax	- 53,741	151,853	(135%)
Income Before Minority Interest	\$ 1,861,596	\$ 1,518,714	23%
Minority Income	12,235	-7,462	(264%)
Net Profit	\$ 1,849,361	\$ 1,526,176	21%

NOTE:

- (1) Depreciation and amortization for the periods ended December 31, 2008 and 2007, was of Ps. 577,035 thousand and Ps. 417,167 thousand, respectively.

Balance Sheet

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

Balance Sheet (Non Audited 2008)

	As of December 31,	
	2008	2007
ASSETS		
CURRENT ASSETS:		
Cash and short term investments	1,856,586	980,693
Accounts receivable from customers and other	167,321	165,070
Recoverable taxes	153,098	164,177
Affiliated an associated companies	-	747
Inventories	262,240	121,723
Total Current Assets	2,439,247	1,432,410
Investment in shares of associated companies	56,506	47,087
Property, systems and equipment, net	5,232,663	4,178,222
Goodwill, net	4,277,036	4,277,036
Preoperating expenses, net	10,769	10,770
Other assets	439,704	214,696
Total Assets	12,455,925	10,160,221
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
One-year maturity of long term liabilities	3,372	59,309
Suppliers	724,060	253,119
Affiliated and Associated Companies	84,120	39,259
Accounts payable and accrued expenses payable	209,240	251,589
Total Current Liabilities	1,020,792	603,276
LONG TERM LIABILITIES		
Bank loans	3,108,856	2,852,928
Labor obligations	78,970	50,724
Accounts Payable	706	-
Deferred Income Tax	377,642	212,597
Deferred Flat Tax (IETU)- Net	41,339	378,440
Deferred Goodwill, net	-	-
Total Long Term Liabilities	3,607,513	3,494,689
Total Liabilities	4,628,305	4,097,965
STOCKHOLDERS' EQUITY		
Capital Stock	918,350	918,350
Premium on subscription of shares	4,999	4,999
Net Premium on the placement of shares	2,104,671	2,104,671
Cumulative effect of deferred income tax	-	48,891
Surplus in the restatement of stockholders' equity	-	175,385
Retained Earnings	4,534,135	2,789,971
Share repurchase reserves (1)	128,287	-
Minority Interest	137,177	117,771
Total Stockholders' Equity	7,827,620	6,062,256
Total Liabilities & Stockholders' Equity	12,455,925	10,160,221

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),