

PRESS RELEASE

QUADRUPLE PLAY ARRIVES TO MEGACABLE

- Megacable launches *Megacel* to the market, a new cellular telephone service offering clients quadruple play
- The service is focused on families that require telecommunication services without restrictions and with unlimited calls between them and their homes
- The launch was realized under the MVNO (Virtual Operator of Mobile Telephony) structure via an alliance with Telefónica México

Guadalajara, Jalisco, October 14, 2011 – Megacable today announced the launch of *Megacel*, the Company's new cellular telephone service, now offering the Company's residential, as well as business clients, quadruple-play services: TV, Internet, Fixed Telephony and Cellular Telephony.

This launch was realized via an alliance with Telefónica México, under the Virtual Operator of Mobile Telephony structure, commonly known as 'MVNO' in English. Megacable will undertake marketing, billing, customer service and sales efforts, in addition to the repositioning of terminal equipment directly with the *Megacel* brand, operating with Telefónica México's infrastructure, thus leveraging Telefónica México's respect, experience and service quality.

"It makes a lot of sense for Megacable to undertake the launching of cellular service for many reasons. On one hand, we recognize the mobile needs of our clients, while on the other hand, we think that we can realize interesting synergies with our fixed telephone service, such as unlimited calls between your cell phone and your home", stated Mr. Enrique Yamuni, Megacable's Chief Executive Officer.

Mr. Yamuni continued, "We soon will also possess the possibility to drive OTT (Over the Top) content in cellular service in the near future."

Mr. Juan Abellán, Telefónica México's Director Delegate and Chief Executive Officer signaled that this agreement once again reaffirms Telefónica México's commitment to offering quality service with innovative products and state-of-the-art technology. "*Megacel* will offer plans with competitive rates and prices that allow clients to decide what best meets their needs."

Megacel will offer innovative commercial plans that are attractive for potential clients:

For additional information, visit www.megacable.com.mx or contact:

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- Megacel by consumption (*Megacel por consumo*): with this service, the customer will be able to have a cellular phone and only pay for minutes used, with no monthly fees or fixed time periods. This plan is considered post paid without recharging as minutes used are reflected in Megacable's bill.
- Megacel Always More (*Megacel siempre más*): this service allows customers to obtain more benefits from their monthly rates, as they receive more minutes than they pay for. They may choose the plan that best meets their needs:
 - *Siempre más 100*: \$150 worth of minutes for Ps. 100.
 - *Siempre más 200*: \$300 worth of minutes for Ps. 200.
 - *Siempre más 300*: \$500 worth of minutes for Ps. 300.
 - *Siempre más 500*: \$1,000 worth of minutes for Ps. 500.
- The lowest rate in the market for mobile and fixed lines. Calling from a Megacel mobile phone to a Megafón fixed line only costs Ps. 0.88 per minute, taxes included.
- Very competitive rates per minute:
 - Per minute cost for Megacel and Movistar calls \$1.50
 - Per minute cost to dial other provider cell phones \$2.50
 - Per minute costs for Megafón fixed line calls \$0.88
 - Per minute cost to fixed lines, local and national calls \$1.50

Rates

Per minute rates will always be the same, without being affected by the client's service contract, it can be either *Megacel por consumo* or *Megacel siempre más*.

- Móvil Megafón Community: Now all clients that use Megacable for their fixed Megafón line will be able to call up to four Megacel cell phones, without restrictions and for unlimited minutes for only Ps. 50 per month, in addition to their rate with Megafón.
- Megacel Family and Friends: Additional package where a Megacel cell phone user can call up to three friends or family members who also use Megacel and/or Movistar and/or Megafón, with unlimited minutes.

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“With Megacel, our clients will now be able to have Quadruple Play in their homes: Cable TV, Internet with speeds up to 5Mb, a fixed telephone line and three cellular lines for Ps. 829 per month”, commented Mr. Raymundo Fernandez, Megacable’s Co-Chief Executive Officer. Mr. Fernandez went on to mention that “this package is very attractive given that three cellular lines and a fixed telephone can be configured into a network, and include unlimited minutes between the two.”

About Megacable

Megacable Holdings, S.A.B. de C.V. is the largest cable operator in Mexico, with the highest number of subscribers, and is the main provider of high-speed internet services in cable and digital telephony per statistics from CANITEC, the National Chamber of the Cable Telecommunications Industry. The Company operates in 25 states in Mexico and over 200 municipalities, including Guadalajara, Puebla, Toluca, León, Torreón, Querétaro, Hermosillo, Culiacán and Veracruz. Megacable has more than 1.7 million cable television subscribers, 590 thousand broad band internet subscribers and 440 thousand telephony customers. The Company’s coaxial cable and fiber optic network extends for over 37 thousand kilometers, covering over 5.2 million homes. Megacable has a modern infrastructure which allows us to offer state-of-the-art digital services such as Video-on-demand, HDTV and DVR.

About Telefónica México

Telefónica México is a leader in the innovation of telecommunication products and services. The Company has consolidated all of its operations under the Movistar brand in 13 countries and has presence in 25 countries globally. Since its arrival in Mexico, Movistar has provided improved communications solutions for prepaid, contract and business users. Currently, Telefónica México has 21.2 million subscribers nationwide.

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