

**GRUPO MEGACABLE HOLDINGS ANNOUNCES
RESULTS FOR THE SECOND QUARTER OF 2012**

Guadalajara, Jalisco, Mexico, July 26, 2012 - Megacable Holdings S.A.B. de C.V. (“Megacable” or “the Company”) (BMV: MEGA.CPO) announced today its results for the second quarter of 2012. Figures were prepared in accordance with International Financial Reporting Standards (IFRS). All figures are expressed in thousands of pesos, unless otherwise indicated.

Second Quarter 2012 Highlights:

- Net service revenues rose 9% year-over-year
- Consolidated and Adjusted EBITDA margin was 42% and 43%, respectively
- RGU's increased 16% year-over-year to 3,260,858

Highlights

Consolidated Financial Results			Variation
Figures in millions of pesos	2Q12	2Q11	2Q12 vs 2Q11
Service Income	2,191	2,009	9%
Adjusted EBITDA for Cable Operations	905	876	3%
Adjusted EBITDA Margin for Cable Operations	43.0%	45.3%	
Consolidated EBITDA	919	884	4%
Consolidated EBITDA Margin	42.0%	44.0%	
Net Income	458	505	-9%
Net Debt	(408)	(143)	186%
Net Debt/Annualized consolidated EBITDA	(0.11)	(0.04)	
Interest Coverage	28.66	28.85	

Operating Results			Variation
	2Q12	2Q11	2Q12 vs 2Q11
Homes Passed	5,999,650	5,398,002	11%
Network Kilometers	42,737	38,195	12%
Two- way Network Percentage	97%	97%	
Cable Television Subscribers	2,010,211	1,770,279	14%
Digital Cable Subscribers	1,069,420	737,803	45%
Penetration Rate of Households	33.5%	32.8%	
HSD Internet Subscribers	738,945	593,765	24%
Penetration Rate of Cable Subscribers	36.8%	33.5%	
Telephony Subscribers	511,702	450,851	13%
Penetration Rate of Cable Subscribers	25.5%	25.5%	
Unique Subscribers	2,085,219	1,816,316	15%
Revenue Generating Units	3,260,858	2,814,895	16%
RGU's Per Unique Subscribers	1.56	1.55	1%
ARPU per Unique Subscriber	352.3	372.6	-5%

Executive Summary

During the first half 2012, Megacable continued to consolidate the Company's main projects, such as the digitalization of video subscribers, increasing Internet speeds via DOCSIS 3.0, development of the GTAC national backbone of inter-urban fiber, as well as establishing quality standards for the Company's services. In addition, the Company continued to expand its network, which reached 43,000 kilometers and passed 6 million homes, approximately.

During the quarter, Megacable added 22 thousand Video subscribers, 19 thousand Internet subscribers and 10 thousand Telephony subscribers, representing growth of 240 thousand, 145 thousand and 6 thousand, or, 14%, 24% and 13%, respectively, year-on-year. RGU's rose 16% to reach over 3.2 million, while RGU's per subscriber rose to 1.56.

The Company's service revenues reached Ps. 2,191 million in 2Q12, which represented 9% growth, with an accumulated figure of Ps. 4,441 million for the first half 2012, which represented 10% growth compared to 2011.

The consolidated EBITDA margin for the second quarter of 2012 was 42.0%, reaching Ps. 919 million, or an increase of 4% year-on-year. The adjusted EBITDA, reached Ps. 905 million, which when compared to the same period of 2011 represented 3%. As a result, the Company reported Net Income of Ps. 458 million.

With regards to the Balance Sheet, the Company continued to improve its financial structure, increasing liquidity through cash generation and improving the financial structure via higher retained earnings. Net debt went from a negative Ps. 79 million in 1Q12 to a negative Ps. 408 million in 2Q12.

With regards to the Company's derivatives operations, Megacable maintained three coverage rate contracts in 2Q12, two of which were with Banamex in the amount of Ps. 800 million and Ps. 300 million, while the third is with Santander for Ps. 500 million, which cover interest rate risk in Mexican pesos. These three contracts mature in August 2013.

The Company's shareholders' equity rose 15% during the quarter to Ps. 14,513 million, maintaining a healthy capital structure, with a liabilities to capital ratio of 0.36x and interest coverage of 28.65x at June 30, 2012.

Net property, systems and equipment grew 23%, or Ps. 1,912 million, on a year-to-year basis due to the purchase of terminal equipment for the digitalization project, construction of new network kilometers, modernization of the existing network and the acquisition of new systems undertaken at the end of 2011 as well as the purchase of other equipment.

Operating Results

MEGACABLE HOLDINGS S. A. B. DE C. V. QUARTELY OPERATING DATA

	2Q12	2Q11	1Q12	Variation	
				2Q12 vs 2Q11	2Q12 vs 1Q12
ARPU (1) (Ps.)					
Unique Subscribers	352.3	372.6	366.9	-5%	-4%
Video	225.5	231.1	231.8	-2%	-3%
Internet	198.6	215.6	210.6	-8%	-6%
Telephony	181.8	211.5	194.5	-14%	-7%
Other Income (2)	20.7	23.6	21.1	-12%	-2%
Monthly Average Churn Rate					
Video	2.7%	2.4%	2.6%		
Internet	3.3%	3.5%	3.2%		
Telephony	3.5%	3.6%	3.5%		

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) Other income includes revenues generated from MCM, Videorola, MMDS and the channels produced by Megacable, which are included in the unique subscriber's ARPU calculation.

Video Segment

The Video segment increased 14% year-on-year, concluding 2Q12 with 2,010,211 subscribers, adding 240 thousand subscribers versus the same period of the previous year. As a result of Megacable's digitalization project, the Company added over 21 thousand digital subscribers in 2Q12, an increase of 332 thousand digital subscribers compared to 2Q11. This represented an increase of 45%, with over 1 million primary digital boxes and over 1.2 million secondary digital boxes in the market.

Video ARPU declined 2% in 2Q12 compared to 2Q11, and declined 3% compared to the first quarter of 2012. The latter was mainly due to the fact that advanced payments were significantly greater during first quarter of 2012, which is a yearly seasonal affect, in addition to a greater increase of subscribers with service packages at less expensive rates.

Video subscriber penetration of homes passed was 33.5% at the close of 2Q12, a percentage greater than the 32.8% reported at the close of 2Q11.

Internet

The broadband Internet segment reported subscriber growth of 24% from 2Q11 to 2Q12, increasing the base by over 145 thousand subscribers to end the quarter with 739 thousand subscribers.

Internet ARPU declined 8%, from 2Q11 to 2Q12, given the greater quantity of subscribers with packaged services, receiving sign-up and monthly discounts for the three services. With respect to the first quarter 2012, Internet ARPU declined 6% due to aggressive promotional campaigns in the lower socioeconomic segments with the adoption of packaged services at lower prices.

Telephony

The Telephony segment concluded 2Q12 with 512 thousand subscribers, which represented more than 10 thousand net additions compared to 1Q12 and more than 61 thousand subscribers compared to 2Q11.

ARPU for this segment declined 7% compared to 1T12, and 14% versus 2Q11 as subscribers have migrated to more economic packages, and in addition to reduced fixed-to-mobile interconnection rates.

Unique Subscribers and Revenue Generating Units (RGU's)

The increase of double and triple-play subscribers have driven the increase in the RGU's by 16% year-over-year, reaching a figure of more than 3,260,858 RGU's as of June 30, 2012. On the other hand, the number of unique subscribers rose 15% year-over-year to 2,085,219. As a result, unique revenue generating units rose to 1.56.

ARPU per unique subscriber was Ps. 352.3, a 4% decline compared to 1Q12 and a 5% decline compared to 2Q11. As previously mentioned, this was due to sales promotions and a greater increase of subscribers with packaged services with more economical rates, as well as bundled services.

Average Monthly Churn Rate

The average monthly churn rate for Video grew 27 basis points, from 2.4% to 2.7% year-over-year, but was in-line with the rate reported in the previous quarter. The Internet and Telephony monthly churn rates decreased year-over-year by 22 and 13 basis points, respectively; Internet from 3.5% to 3.3% and Telephony from 3.6% to 3.5%.

Homes Passed and Network Kilometers

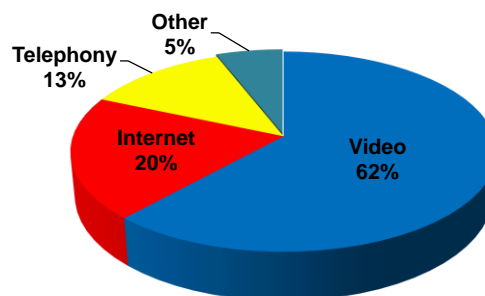
Homes passed increased 11%, with an approximate increase of 4,500 kilometers of network year-over-year, finishing the quarter with approximately 6 million homes passed and a bidirectional network of 97%. During the current quarter, the Company added 963 kilometers of fiber and built 927 kilometers of network.

Consolidated Results

Income by Segment						
In Millions of Pesos						
	2Q12	2Q11	2Q12 vs 2Q11	1H12	1H11	1H12 vs 1H11
Video	1,351	1,218	11%	2,729	2,472	10%
Internet	435	382	14%	886	761	16%
Telephony	275	282	-2%	567	570	0%
Other	129	127	1%	258	249	4%
Total	2,191	2,009	9%	4,441	4,053	10%

Total service income increased 10% from first half 2011 to first half 2012, and 9% from 2Q11 to 2Q12, to reach Ps. 4,441 million for the six months ended June 30, 2012 and Ps. 2,191 million for the quarter. Once again, the highest increase in revenue per segment took place in the Internet segment, which rose 14% from 2Q11 to 2Q12. Video revenues increased 11%, Telephony declined 2% and Others increased 1% during the period.

In terms of revenue composition, the Video segment continued to be the largest contributor with 62% of Megacable's total revenues, followed by Internet with 20%, Telephony with 13%, and Others with 5% of total revenues.



Cost of services increased 14% from 2Q11 to 2Q12, mainly due to the cost of programming due to the increase in the average number of subscribers, as well as exchange rates, which affected the Company's dollar-denominated costs, in addition to the adjustment registered in 2Q11 related to interconnection rates.

As a result, the adjusted EBITDA for the cable operations reached Ps. 905 million in 2Q12, or 3% higher than in 2Q11, reaching a margin of 43.0%. Consolidated EBITDA margin was 42.0% in 2Q12, reaching Ps. 919 million or 4%.

Operating and general costs increased 11% versus 2Q11, mostly generated by increased costs related to a larger subscriber base, as well a larger number of offices and personnel, exchange rate fluctuations and an increase in leasing costs, a result of the exchange of smaller CIS's (Integrated Service Center) for macro ones, which better enable the Company to provide clients with an improved integrated service.

The net integral financing result in the second quarter 2012 reached Ps. 6.4 million, of which Ps. 10.8 million correspond to negative exchange rate differences and Ps. 4.4 million are related to financial instruments.

EBITDA						
	2Q12	2Q11	2Q12 vs 2Q11	1H12	1H11	1H12 vs 1H11
In thousands of Pesos						
Consolidated operating Income	\$ 586,822	\$ 624,780	-6%	\$ 1,261,360	\$ 1,296,362	-3%
Less operating Income (Loss) of MCM	\$ 3,885	-\$ 2,683	-245%	\$ 7,779	-\$ 2,418	-422%
Operating Income for Cable Operations	\$ 582,937	\$ 627,463	-7%	\$ 1,253,581	\$ 1,298,781	-3%
Plus Consolidated depreciation and amortization	\$ 332,612	\$ 259,529	28%	\$ 654,091	\$ 517,465	26%
Less depreciation and amortization of MCM Holding	\$ 10,742	\$ 10,702	0%	\$ 21,271	\$ 21,650	-2%
Adjusted EBITDA for Cable Operations (1)	\$ 904,807	\$ 876,290	3%	\$ 1,886,401	\$ 1,794,596	5%
Total Income excluding MCM	\$ 2,105,348	\$ 1,934,231	9%	\$ 4,274,123	\$ 3,897,226	10%
Adjusted EBITDA Margin for Cable Operations	43.0%	45.3%		44.1%	46.0%	
Consolidated EBITDA (2)	\$ 919,434	\$ 884,309	4%	\$ 1,915,450	\$ 1,813,828	6%
Consolidated EBITDA Margin	42.0%	44.0%		43.1%	44.8%	

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) Adjusted 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.

Liquidity, Debt and Capital Structure

Liquidity

The Company's liquidity ratios decreased from 2.88 to 2.46 mainly due the investments in acquisitions of new systems, as well as CAPEX investments. Cash and short-term investments increased more than Ps. 553 million year-over-year.

Cash Flow Statement	2Q12	2Q11
Net cash flows from operating activities	909,342	771,234
Capex	- 585,051	- 461,033
Cash at end of period	324,291	310,201

Property, Systems and Equipment, Net

This line item increased 23%, reaching Ps. 10,050 million, an increase of Ps. 1,912 million compared to 2Q11, mainly due to organic growth via the increase in Megacable's network kilometers, the acquisition of new network systems at the end of 2011, as well as the purchase of terminal equipment for the digitalization, Internet and Telephony projects, the purchase of vehicles, computer and office equipment, among others.

Debt

The Company maintains bank debt for Ps. 2 billion, which generates interest at the 28 day TIIE rate plus 55 basis points. In addition, Megacable has a credit line with CISCO for US\$ 22 million.

The Company currently maintains derivative contracts for Swaps for Ps. 1,600 million, all with maturities on the third quarter 2013, as a partial coverage for the bank loans.

During the second quarter of 2012, the Company contracted a short-term bank loan in the amount US\$ 20 million.

	as of June 30,	
Debt Ratios	2012	2011
Debt Ratio	0.27	0.26
Debt to Equity Ratio	0.36	0.34
Net Debt/ Annualized EBITDA	(0.11)	(0.04)
Interest Coverage		
EBITDA/ Interests Expenses	28.65	28.85

Net Debt at the close of 2Q12 was (Ps. 408 million).

In thousands of Pesos	2Q12	2Q11
Short Term Debt	385,295	111,157
One year maturity of long term bank loans	385,295	111,157
Long Term Debt	2,288,421	2,274,911
Bank Loans	2,078,112	2,069,965
Accounts Payable	210,309	204,946
Total Debt	2,673,715	2,386,068
Cash and Short Term Investments	3,081,506	2,528,851
Net Debt	(407,791)	(142,783)

Shareholders' Equity

Shareholders' equity rose 15% from 2Q11 to 2Q12, from Ps. 12,663 million to Ps. 14,513 million, mainly as a result of the Company's 19% increase in retained earnings.

CAPEX

During 2Q12, Megacable invested Ps. 459 million. This investment was mainly allocated towards construction, the purchase of subscriber terminal equipment, for the digitalization projects, as well as for Internet subscriber growth and the modernization of the Company's cable network.

Total Shares Outstanding

As of June 30, 2012, the Company had 1,719 million total shares outstanding, while the number of outstanding CPOs reached 299 million a 1 million CPO's in treasury. The remaining resources since the 2Q11 report is 297 million with a free-float of 35%.

Stock Information	
Ticker	MEGA.CPO
2 Series "A" Shares =	1 CPO
Total Outstanding Series "A" Shares (millions)	1,719
Outstanding CPOs (thousands)	298,500
CPOs in Treasury (thousands)	1,000
Mkt. Cap (In Ps. Millions)	\$ 23,125
Closing Price (Ps) *	\$ 26.90
As of June 30, 2012	

Source: Infotel

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 25 states in Mexico and over 200 municipalities. As of June 30, 2012, the Company had 11,521 employees.

Quarterly Income Statement

MEGACABLE HOLDINGS, S. A. B. DE C.V.
For the six-month period ended June 30, 2012 & 2011

In thousands of Pesos	Variation		
	2Q12	2Q11	2Q12 vs 2Q11
Services Income	\$ 2,190,963	\$ 2,009,097	9%
Cost of Services	681,321	595,443	14%
Gross Profit	\$ 1,509,643	\$ 1,413,654	7%
Operating and General Expenses	590,209	529,345	11%
EBITDA	\$ 919,434	\$ 884,309	4%
Depreciation and amortization	332,612	259,529	28%
Operating Profit	\$ 586,822	\$ 624,780	(6%)
Other income (expenses), net	5,396	4,632	17%
Comprehensive Financing Income, Net	6,373	1,769	260%
Equity in income of associated companies	9,909	-1,865	(631%)
Income Before Income Tax and Minority Interest	\$ 575,935	\$ 629,508	(9%)
Income Tax	118,042	124,698	(5%)
Net Profit	\$ 457,893	\$ 504,809	(9%)
Net income attribute to:			
Controlling interest	14,540	20,745	(30%)
Non-Controlling interest	443,354	484,064	(8%)
	\$ 457,893	\$ 504,809	(9%)

Six-Month Income Statement

MEGACABLE HOLDINGS, S. A. B. DE C.V.
For the six-month period ended June 30, 2012 & 2011

In thousands of Pesos	Variation		
	1H12	1H11	1H12 vs 1H11
Services Income	\$ 4,441,031	\$ 4,052,739	10%
Cost of Services	1,357,258	1,215,359	12%
Gross Profit	\$ 3,083,773	\$ 2,837,381	9%
Operating and General Expenses	1,168,322	1,023,553	14%
EBITDA	\$ 1,915,450	\$ 1,813,828	6%
Depreciation and amortization	654,091	517,465	26%
Operating Profit	\$ 1,261,360 ▲	\$ 1,296,362	(3%)
Other income (expenses), net	9,990	19,873	(50%)
Comprehensive Financing Income, Net	-86,085	918	(9475%)
Equity in income of associated companies	2,751 ▲	-757	(463%)
Income Before Income Tax and Minority Interest	\$ 1,354,685	\$ 1,316,074	3%
Income Tax	277,714	249,781	11%
Net Profit	\$ 1,076,971	\$ 1,066,293	1%
Net income attribute to:			
Controlling interest	41,667	45,305	(8%)
Non-Controlling interest	1,035,305	1,020,988	1%
	\$ 1,076,971 ▲	\$ 1,066,293	1%

Balance Sheet

MEGACABLE HOLDINGS, S. A. B DE C. V. Y SUBSIDIARIAS
Balance Sheet
In Thousands of Pesos

	As of June 30,	
	2012	2011
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and short term investments	3,081,506	2,528,851
Accounts receivable from customers and other, net	468,482	478,733
Recoverable taxes	336,607	277,020
Inventories	340,222	407,001
Total Current Assets	4,226,818	3,691,605
Investment in shares of associated companies	80,266	109,280
Property, systems and equipment, net	10,050,281	8,138,631
Goodwill, net	4,277,036	4,277,036
Other assets	591,859	403,980
Affiliated and Associated Companies	575,966	400,157
Total Assets	19,802,225	17,020,688
<u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>		
<u>CURRENT LIABILITIES</u>		
One-year maturity of long term liabilities	385,295	111,157
Suppliers	543,270	463,076
Affiliated and Associated Companies	56,735	24,662
Accounts payable and accrued expenses payable	733,375	685,069
Total Current Liabilities	1,718,674	1,283,963
<u>LONG TERM LIABILITIES</u>		
Bank loans	2,078,112	2,069,965
Labor obligations	96,545	77,230
Accounts payable	210,309	204,946
Deferred taxes	1,186,076	721,691
Total Long Term Liabilities	3,571,041	3,073,832
Total Liabilities	5,289,716	4,357,795
<u>STOCKHOLDERS' EQUITY</u>		
Capital Stock	910,244	910,244
Premium on subscription of shares	4,999	4,999
Net Premium on the placement of shares	2,114,109	2,112,561
Retained Earnings	11,141,100	9,365,620
Minority Interest	342,057	269,468
Total Stockholders' Equity	14,512,510	12,662,893
Total Liabilities & Stockholders' Equity	19,802,225	17,020,688

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.

For more information please visit:

<http://inversionistas.megacable.com.mx>

Investor Relations:

Saul Alonso Gil Peña

Investor Relations Officer

Megacable Holdings, S.A.B. de C.V.

Tel: 52 (33) 3750-0042 ext. 1091

Investor.relations@megacable.com.mx