

Highlights:

- » During 3Q17, Megacable registered growth across every mass market segment, reaching 46 thousand net subscriber additions in video, 101 thousand in internet and 84 thousand in telephony, compared to 2Q17.
- » Three months after the launch of Xview interactive video platform, this product has covered 22 cities, reaching 127 thousand subscribers.
- » The corporate segment registered a 15% growth compared to 2Q17, particularly Metrocarrier with 23% growth and ho1a with 17% growth.
- » EBITDA recorded a 23% growth YoY, reaching Ps. 1,938 million, a margin of 44.5%.
- » Given the Company's free cash flow generation, net debt declined to Ps. 814 million compared to 2Q17.
- » During 3Q17, CAPEX was Ps. 1,253 million, reaching a total of Ps. 2,914 million during the year, in line with the Company's projects, maintaining the ratio of 23% participation over revenues.

Guadalajara, Jalisco, Mexico, October 24th, 2017 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV::MEGA.CPO) announced today its financial results for the third quarter of 2017 (3Q17). Figures were prepared in accordance with International Financial Reporting Standards (IFRS). All figures are expressed in thousands of Mexican pesos (Ps.), unless otherwise indicated.

Consolidated Financial Results:

	3Q17	3Q16	% Var
Income	4,351,552	4,219,505	3.1%
Income excluding non-recurrent (1)	4,277,230	3,991,238	7.2%
EBITDA	1,938,102	1,576,739	22.9%
EBITDA Margin	44.5%	37.4%	
Controlling interest	978,183	764,262	28.0%
Cash and short-term investments	3,049,827	1,674,295	82.2%
Net Debt	814,410	2,130,246	(61.8%)
CAPEX	1,252,712	1,353,046	(7.4%)
Mkt. Cap (Ps. Millions)	65,129	63,843	2.0%
Subscribers			
Video	2,969,349	3,029,891	(2.0%)
Internet	2,513,815	2,115,300	18.8%
Telephony	1,382,359	1,059,208	30.5%
Other Data			
Home Passed	8,058,675	7,748,555	4.0%
Network Kilometers	55,752	53,389	4.4%
Employees (2)	18,290	16,996	7.6%

Notes:

- (1) Do not includes the Ps. 74 million income related to the recovery of the 2.5 GHz band and the revenues coming from the CFE project in the amount of Ps. 228 million during 2016.
- (2) The employees' number includes MCM, HO1A and PCTV for 3Q17.

For more information please visit: <http://inversionistas.megacable.com.mx>

Investor Relations Contact:

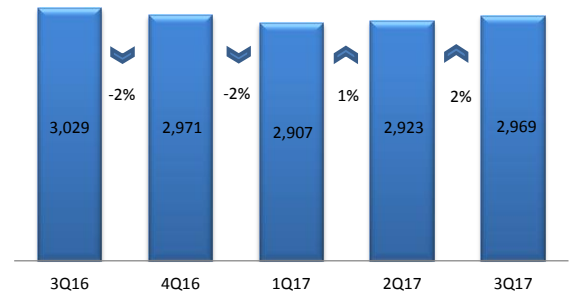
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Video Subscribers

At 3Q17, video subscribers reached 2,969,349 with net adds of 46 thousand subscribers, in line with the growth trend observed since 2Q17, which was supported by selective sales policies in order to generate healthier subscriber additions. It is important to mention that 79% of total subscriptions are digital, through 4.5 million STBs (Set Top Boxes). YoY, video subscribers declined by 61 thousand subscriptions or 2%, mainly originated during 4Q16 and 1Q17.

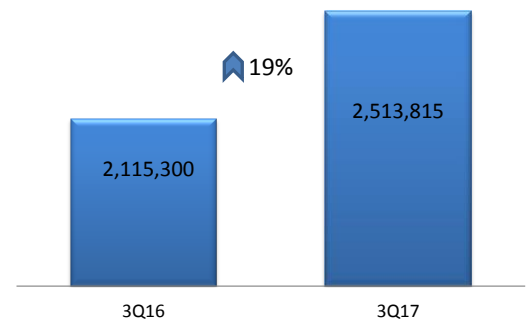


As mentioned in the 2Q17 report, Megacable launched a new video generation multiplatform called Xview in June 2017. Xview has had an excellent reception by our users, reaching 127 thousand new subscribers at the close of 3Q17. These results give us the confidence that the goals set for this platform will be achieved. Additionally, the interactive services offered through this platform have generated much interest among our subscribers; therefore, we are confident that the acceptance of these new generation services will be an important driver for the development of the Company's video segment, aiming to create the best experience for the subscriber.

Internet Subscribers

The internet service continues to drive the overall subscriber growth by reaching 2,513,815 internet subscribers at the close of 3Q17, representing 101 thousand net adds during the quarter versus 2Q17, mainly due to the back to school campaign, and 399 thousand net adds YoY, 4.2% and 18.8% growth, respectively.

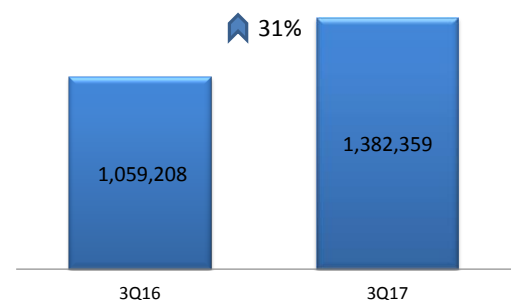
During this quarter the Company continued its strategy of migrating subscribers to higher speeds, thus improving customer satisfaction, in line with market trends. The Company expects to continue reaching growth levels that are above the industry figures.



Telephony Subscribers

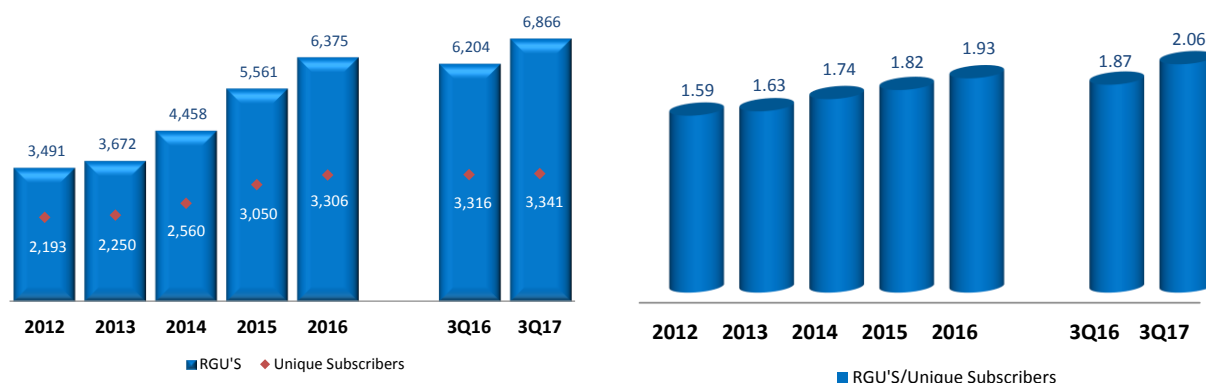
At the close of 3Q17, the Telephony segment reached 1,382,359 subscribers. This represented 6.5% growth compared to 2Q17, with approximately 84 thousand net additions and annual growth of 30.5% or 323 thousand net adds.

The aforementioned increases were mainly derived from a successful telephony bundling campaign with other services, which has helped to increase the Company's market share in a market without growth.



Unique Subscribers and Revenue Generating Units (RGU's)

In 3Q17, RGU's reached 6,865,523, up 10.7% compared to 3Q16. This was due to the growth experienced throughout the Internet, Video and Telephony business segments, as previously mentioned. As a result, RGU's per unique subscriber rose to 2.06.



Churn Rate

The churn rate for the Video segment reached 2.7%, improving by 30 basis points, compared to 2Q17 and by 50 basis points, compared to 3Q16. The Internet segment improved slightly compared to 2Q17, and by 60 basis points compared to 3Q16. Telephony improved by 20 basis points compared 2Q17 and remained in line compared to 3Q16. This was due to Megacable's selective sales strategy, the promotion of more affordable packages and marketing strategies focused on specific markets.

	3Q17	3Q16	2Q17
Video	2.7%	3.2%	3.0%
Internet	2.5%	3.1%	2.6%
Telephony	4.9%	4.9%	5.1%

Revenues

Total revenues for 3Q16 rose by 3.1%, year-over year, to reach Ps. 4,352 million. During this period, mass market revenues grew by 3.8%, while the corporate segment declined by 8.9%. However, excluding the extraordinary revenues of the CFE project from Ho1a registered in 2016 for Ps. 228 million and the Ps. 74 million corresponding to the compensation obtained by the IFT for the recovery of the 2.5 GHz band during the quarter, the corporate segment grew by 29.7% and total revenues rose by 7.2%.

	3Q17	3Q16	%Var	9M17	9M16	%Var
Video	1,843,188	1,941,573	-5%	5,525,280	5,848,258	-6%
Internet	1,302,263	1,109,849	17%	3,789,173	3,286,669	15%
Telephony	413,960	376,275	10%	1,246,348	1,076,700	16%
Other	19,428	25,193	-23%	70,225	87,562	-20%
Total Mass market	3,578,839	3,452,891	4%	10,631,026	10,299,189	3%
Corporate	698,391	538,347	30%	1,903,993	1,501,349	27%
Total excluding non-recurrent	4,277,230	3,991,238	7%	12,535,019	11,800,538	6%
HO1A CFE	-	228,267	-100%	161,999	700,898	-77%
Recovery of the 2.5 GHz band	74,322	-		74,322		
Total	4,351,552	4,219,505	3%	12,771,340	12,501,436	2%

ARPU

ARPU per unique subscriber rose year-over-year and remained almost flat compared to 2Q17. Individual ARPU's continue to be impacted by the incorporation of subscribers with more affordable services, product bundling, as well as a strong back-to-school campaign.

	3Q17	3Q16	% Var	2Q17	% Var
ARPU (1) (Ps.)					
Unique subscribers of cable	359.1	349.5	3%	359.0	0%
Video	208.1	214.3	-3%	208.8	0%
Internet	175.2	180.5	-3%	178.7	-2%
Telephony	102.0	126.2	-19%	109.8	-7%

Notes:

(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 for the corresponding period.

Corporate Segment Revenues

Excluding the CFE project, revenues from the corporate segment increased 30% compared to 3Q16, representing 16% of total revenues. Metrocarrier and Ho1a continue to achieve growth of 55% and 40%, year-over-year. Considering the CFE project, revenues from the corporate segment declined 9% compared to 3Q16.

	3Q17	3Q16	%Var	9M17	9M16	%Var
Metrocarrier	257,829	166,491	55%	684,055	480,559	42%
PCTV	76,935	75,544	2%	219,211	203,354	8%
HO1A	151,357	108,310	40%	393,518	287,086	37%
MCM	212,270	188,003	13%	607,209	530,350	14%
Total excluding CFE	698,391	538,347	30%	1,903,993	1,501,349	27%
HO1A CFE	-	228,267	-100%	161,999	700,898	-77%
Total	698,391	766,615	-9%	2,065,992	2,202,247	-6%

Costs & Expenses

During 3Q17, cost of services significantly declined 17.9% year-over-year, both in the residential and corporate segments. In the corporate segment, this result was due to the decline in costs corresponding to the CFE project in 3Q16, while the residential segment registered savings in programming costs as a result of dropping Televisa's signals. Operating costs only grew by 2.4%, as a result of operating efficiencies, despite high energy cost increases and the general impact of inflation.

EBITDA

Adjusted EBITDA for the cable operations rose an outstanding 25.4% from 3Q16 to 3Q17, reaching Ps. 1,826 million, with a significant margin expansion to 46.7% compared to 40.2% in 3Q16. Consolidated EBITDA margin rose from 37.4% in 3Q16 to 44.5% in 3Q17, reaching Ps. 1,938 million, up 22.9% compared to 3Q16, mainly due to the abovementioned cost reductions.

	3Q17	3Q16	%Var	9M17	9M16	%Var
CONSOLIDATED						
Consolidated operating profit	1,300,932	1,030,900	26%	3,940,977	3,507,420	12%
Plus consolidated depreciation and amortization	637,170	545,839	17%	1,735,310	1,540,721	13%
Consolidated EBITDA (1)	1,938,102	1,576,739	23%	5,676,286	5,048,140	12%
Consolidated EBITDA Margin	44.5%	37.4%		44.4%	40.4%	
CABLE OPERATIONS						
Non Cable Operations	112,185	121,014	-7%	317,577	332,296	(4%)
Cable Adjusted EBITDA (2)	1,825,917	1,455,725	25%	5,358,709	4,715,844	14%
EBITDA Margin of Cable	46.7%	40.2%		47.0%	43.7%	

Notes:

(1) Consolidated EBITDA is calculated by adding to the net income/loss the following: depreciation and amortization, net comprehensive financing income, other net income, non-recurring expenses (income) total income tax, workers profit sharing, equity in income of associated companies and minority interest.

(2) Adjusted EBITDA for the Cable operations is calculated by subtracting MCM, PCTV and Ho1a EBITDA from Consolidated EBITDA

Net Income

Net income for the quarter reached Ps. 978 million compared to Ps. 764 million in 3Q16, a significant increase of 28.0%. This growth, which surpassed EBITDA's, was mainly due to lower costs when compared to the previous year that generated a higher EBITDA, while depreciation remained in line to the Company's investment requirements.

Net Debt

Megacable reached Net Debt of Ps. 814 million, mainly as a result of two loans, both maturing in July 2019, for a total of Ps. 3,700 million. The decline in net debt in 3Q17 compared to 3Q16, was due to a greater amount of cash and cash equivalents derived from the Company's operations during the quarter.

	3Q17	3Q16
Short Term Debt	82,012	1,718,371
One year maturity of long-term bank	82,012	1,718,371
Long-Term Debt	3,782,225	2,086,169
Bank Loans	3,776,156	2,076,181
Accounts Payable	6,068	9,988
Total Debt	3,864,237	3,804,541
Cash and Short-Term Investments	3,049,827	1,674,295
Net Debt	814,410	2,130,246

Net Comprehensive Financing

The Company reported a net financing cost of Ps. 23 million in 3Q17, comprised of Ps. 28 million in net interest income and a net exchange gain of Ps. 5 million.

	3Q17	3Q16
Net Exchange (Profit) Loss	(5,293)	35,029
Interest Income	70,447	65,779
Interest Expense	98,900	55,307
Net Comprehensive Financial Result	(23,161)	(24,558)

CAPEX

Megacable invested Ps. 1,253 million during 3Q17, which represented 29% of the revenues for the quarter; accrued as of September Ps. 2,914 million have been invested, representing 23% of accrued revenues. Investments during the period were mainly allocated towards the purchase of subscriber equipment, construction of additional network kilometers, modernization of the Company's cable network and the expansion of the corporate network to new cities. We reaffirm the CAPEX projection in levels between 25% and 27% of revenues at the end of the year, mainly due to already investment scheduled and currently underway for the rest of the year.

Stock Information

Ticker MEGA.CPO	CPO's	"A" Series
Total Shares (thousands)		1,721,356
Outstanding shares (thousands)	300,119	600,237
Shares in Treasury (thousands)	893	1,785
<i>2 Series "A" Shares =</i>		<i>1 CPO</i>
Mkt. Cap (In Ps. millions)		\$ 65,129
Closing Price (Ps) *		\$ 75.75
Free Float		35%
As of September 30, 2017		

* Source: Infotel

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.

Conference Call

Megacable will hold its 3Q17 Earnings Conference Call on Wednesday, October 25th, 2017 at 10:00 am (Central Time) / 11:00am (Eastern Time).

To access the call, please dial:
 from within the U.S. 1-877-888-4312
 from outside the U.S. 1-785-424-1876
 Conference ID Number: MEGA

Balance Sheet

	2017	2016
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and short-term investments	3,049,827	1,674,295
Accounts receivable from customers and other, net	1,553,500	2,221,436
Recoverable taxes	807,956	1,151,077
Inventories	551,189	904,675
Total Current Assets	5,962,471	5,951,484
Investment in shares of associated companies	20,596	0
Property, systems and equipment, net	23,172,020	19,719,297
Goodwill, net	4,378,397	4,378,397
Deferred Taxes	98,009	171,933
Other assets	409,637	204,438
Affiliated and associated companies	1,147,009	965,221
Total Assets	35,188,139	31,390,771
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>CURRENT LIABILITIES</u>		
One year maturity of long-term liabilities	82,012	1,718,371
Suppliers	1,608,065	1,378,653
Affiliated and associated companies	138,039	23,660
Accounts payable and accrued expenses payable	1,613,142	1,632,894
Total Current Liabilities	3,441,257	4,753,579
<u>LONG TERM LIABILITIES</u>		
Bank loans	3,776,156	2,076,181
Labor obligations	210,070	214,111
Accounts payable	6,068	9,988
Deferred taxes	1,977,392	1,843,149
Affiliated and associated companies	700,814	661,679
Total Long-Term Liabilities	6,670,501	4,805,108
Total Liabilities	10,111,758	9,558,687
<u>STOCKHOLDERS' EQUITY</u>		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,117,560	2,117,560
Retained Earnings	20,348,912	17,303,574
Minority Interest	1,210,833	1,011,873
Legal Reserve	488,832	488,832
Total Stockholders' Equity	25,076,381	21,832,084
Total Liabilities & Stockholders' Equity	35,188,139	31,390,771

Income Statement

	3Q17	3Q16	% Var
Income	\$4,351,552	\$4,219,505	3%
Cost of Services	1,182,517	1,440,942	(18%)
Gross Profit	\$3,169,035	\$2,778,563	14%
Operating and General Expenses	1,230,933	1,201,825	2%
EBITDA	\$1,938,102	\$1,576,739	23%
Depreciation and amortization	637,170	545,839	17%
Operating Profit	\$1,300,932	\$1,030,900	26%
Other income (expenses), net	25,773	8,609	199%
Comprehensive Financing Income, Net	23,161	24,558	(6%)
Income Before Income Tax and Minority Interest	\$1,303,544	\$1,014,951	28%
Income Tax	269,551	191,718	41%
Net Profit	\$1,033,993	\$ 823,233	26%
Net income attribute to:			
Non-Controlling interest	55,810	58,971	(5%)
Controlling interest	978,183	764,262	28%
	\$1,033,993	\$ 823,233	26%

Income Statement Accumulated

	9M17	9M16	% Var
Income	\$ 12,771,340	\$ 12,501,436	2%
Cost of Services	3,552,815	4,078,255	(13%)
Gross Profit	\$ 9,218,525	\$ 8,423,181	9%
Operating and General Expenses	3,542,239	3,375,041	5%
EBITDA	\$ 5,676,286	\$ 5,048,140	12%
Depreciation and amortization	1,735,310	1,540,721	13%
Operating Profit	\$ 3,940,977	\$ 3,507,420	12%
Other income (expenses), net	61,208	36,390	68%
Comprehensive Financing Income, Net	16,021	68,202	(77%)
Income Before Income Tax and Minority Interest	\$ 3,986,164	\$ 3,475,607	15%
Income Tax	779,252	683,810	14%
Net Profit	\$ 3,206,912	\$ 2,791,797	15%
Net income attribute to:			
Non-Controlling interest	135,764	182,609	(26%)
Controlling interest	3,071,148	2,609,188	18%
	\$ 3,206,912	\$ 2,791,797	15%

Income Statement by Segment

	3Q17	3Q16	% Var
CABLE OPERATIONS			
Income	3,910,990	3,619,381	8%
Cost of Services	1,009,194	1,111,335	(9%)
Gross Profit	2,901,796	2,508,046	16%
Operating and General Expenses	1,075,879	1,052,321	2%
EBITDA	\$ 1,825,917	\$ 1,455,725	25%
	47%	40%	
OTHER			
Income	440,562	600,124	(27%)
MCM	212,270	188,003	13%
HO1A	151,357	108,310	40%
HO1A CFE	0	228,267	(100%)
PCTV	76,935	75,544	2%
Cost of Services	173,323	329,607	(47%)
MCM	30,656	32,984	(7%)
HO1A	99,304	67,397	47%
HO1A CFE	0	202,906	(100%)
PCTV	43,362	26,320	65%
Gross Profit	267,239	270,517	(1%)
Operating and General Expenses	155,054	149,504	4%
MCM	103,457	89,845	15%
HO1A	23,954	24,163	(1%)
PCTV	27,643	35,496	(22%)
EBITDA			
MCM	78,156	65,174	20%
HO1A	28,100	16,750	68%
HO1A CFE	0	25,361	(100%)
PCTV	5,929	13,728	(57%)
EBITDA	\$ 112,185	\$ 121,014	(7%)
	25%	20%	
TOTAL OPERATION			
Income	4,351,552	4,219,505	3%
Cost of Services	1,182,517	1,440,942	(18%)
Gross Profit	3,169,035	2,778,563	14%
Operating and General Expenses	1,230,933	1,201,825	2%
EBITDA	\$ 1,938,102	\$ 1,576,739	23%
	45%	37%	

Income Statement by Segment Accumulated

	9M17	9M16	% Var
CABLE OPERATIONS			
Income	11,389,403	10,779,748	6%
Cost of Services	2,969,531	3,119,299	(5%)
Gross Profit	8,419,872	7,660,449	10%
Operating and General Expenses	3,061,163	2,944,605	4%
EBITDA	\$ 5,358,709	\$ 4,715,844	14%
	47%	44%	
OTHER			
Income	1,381,937	1,721,688	(20%)
MCM	607,209	530,350	14%
HO1A	393,518	287,086	37%
HO1A CFE	161,999	700,898	(77%)
PCTV	219,211	203,354	8%
Cost of Services	583,284	958,956	(39%)
MCM	93,218	94,738	(2%)
HO1A	252,320	180,475	40%
HO1A CFE	133,328	598,809	(78%)
PCTV	104,418	84,933	23%
Gross Profit	798,653	762,732	5%
Operating and General Expenses	481,076	430,435	12%
MCM	299,931	254,936	18%
HO1A	73,166	69,332	6%
PCTV	107,979	106,167	2%
EBITDA			
MCM	214,061	180,675	18%
HO1A	68,032	37,279	82%
HO1A CFE	54,020	102,089	(47%)
PCTV	6,813	12,254	(44%)
EBITDA	\$ 317,577	\$ 332,296	(4%)
	23%	19%	
TOTAL OPERATION			
Income	12,771,340	12,501,436	2%
Cost of Services	3,552,815	4,078,255	(13%)
Gross Profit	9,218,525	8,423,181	9%
Operating and General Expenses	3,542,239	3,375,041	5%
EBITDA	\$ 5,676,286	\$ 5,048,140	12%
	44%	40%	