

Highlights:

- » Consolidated EBITDA grew 22% year-over-year, reaching Ps. 5,843 million in 2015.
- » During 4Q15, the mass market reported historical growth: 7% for the video segment, 8% for Internet segment, and 6% for the telephony segment.
- » During 4Q15, Megacable surpassed 3 million unique subscribers.
- » ARPU per unique subscriber grew 5% in 4Q15, reaching Ps. 366.4.
- » CAPEX in 2015 reached Ps. 3,765 million, independently of the U.S. dollar appreciation; CAPEX solely represented 26% of the Company's revenues.

Guadalajara, Jalisco, Mexico, February 25, 2016 - Megacable Holdings S.A.B. de C.V. ("Megacable" or "the Company") (BMV:MEGA.CPO) announced today its results for the fourth quarter of 2015 (4Q15). 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:

	4Q15	4Q14	% Var
Financial Figures			
Income	3,927,503	3,108,453	26.3%
EBITDA	1,597,069	1,214,122	31.5%
EBITDA Margin	40.7%	39.1%	
Non-Controlling interest	870,589	738,945	17.8%
Cash and short-term investments	2,803,889	4,006,989	(30.0%)
Net Debt	428,903	(1,187,801)	(136.1%)
CAPEX	874,163	578,266	51.2%
Mkt. Cap (Millones Ps.)	55,172	49,425	11.6%
Subscribers			
Video	2,834,151	2,406,050	17.8%
Internet	1,830,966	1,330,614	37.6%
Telephony	896,316	721,442	24.2%
Other Data			
Home Passed	7,487,165	7,174,272	4.4%
Network Kilometers	51,509	49,107	4.9%
Employees	16,010	14,477	10.6%

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

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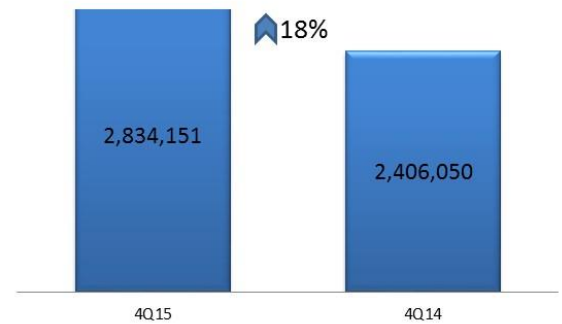
Video Subscribers

Video subscribers reached 2,834,151 in 4Q15, adding a record of 188 thousand net subscribers, or 7% more than in 3Q15. In addition, the Company reported a historical growth of 18% subscribers, or 428 thousand compared to 4Q14.

During the quarter, the Company carried out the analog shut-off which had a positive impact in the Company's results. It is estimated that the Company registered net adds of 50 thousand subscribers, which demonstrates outstanding results independently of this process.

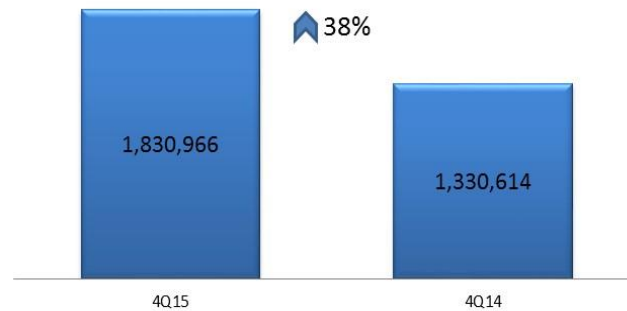
Digital subscribers reported a record growth of 8%, or 144 thousand subscribers compared to 3Q15, and 24% or 394 thousand compared to 4Q14, as a result of the digitalization process. Furthermore, the Company placed in the market more than 2.0 million digital boxes and approximately 2.3 million additional boxes.

It is important to highlight that 100% of our main markets are already digitalized.



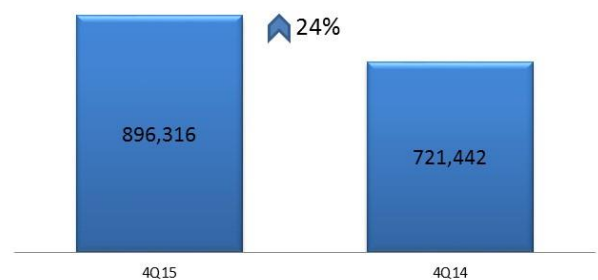
Internet Subscribers

At the close of 4Q15, the internet segment reported 1,830,966 subscribers, up 8% or approximately 130 thousand net adds, compared to 3Q15. Furthermore, when compared to 4Q14, internet subscribers grew 38% or 500 thousand net adds. This growth was driven by the highest speeds in the market combined with high reliable service as well as very competitive rates, characteristics that our customers continue to appreciate.



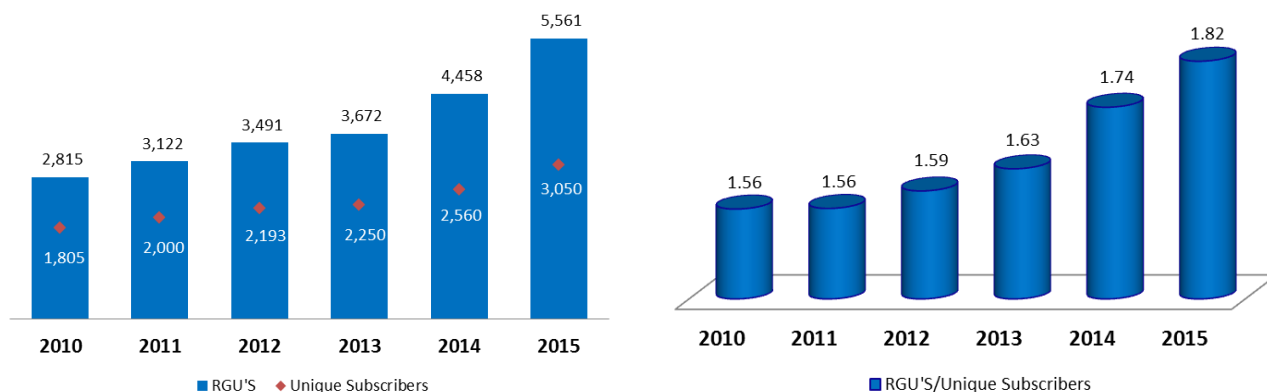
Telephony Subscribers

Telephony subscribers reached 896,316 in 4Q15, an increase of 6%, or 47 thousand additional subscribers, more than in 3Q15. Compared to 4Q14, this figure grew 24%, with 175 thousand net adds. The increases achieved were mainly due to bundling with other services, which helped increase market share in an otherwise sluggish market.



Unique Subscribers and Revenue Generating Units (RGU's)

During 4Q15, RGU's reached 5,561,433, an increase of 7% compared to 3Q15 and 25% compared with 4Q14, driven by growth in the various segments. As a result, RGU's per unique subscriber reached 1.8. Unique subscribers for 4Q15 surpassed 3 million subscribers totaling 3,050,322, up 7% and 19% compared to 3Q15 and 4Q14, respectively. The number of RGU'S/unique subscribers did not rise during the quarter due to the historical growth of video subscribers.



Churn Rate

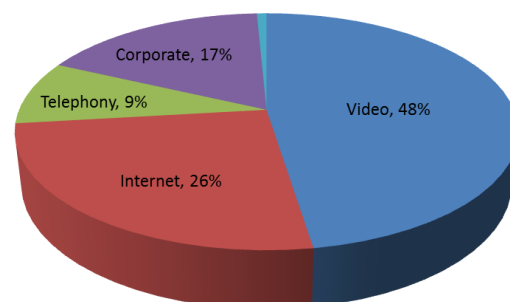
The 4Q15 churn rate in all the video and internet segments remained at stable industry levels and continue to be a reason for growth in these services. The churn rate for 4Q15 was 2.3% and 2.6%, below the 2.8% for both of these services during 3Q15 and higher than the level for 4Q15. In terms of telephony, this churn rate remains above 5%, as a result of the aggressive marketing campaigns for this service.

	4Q15	4Q14	3Q15
Monthly average churn rate			
Video	2.3%	2.1%	2.8%
Internet	2.6%	2.0%	2.8%
Telephony	5.2%	4.1%	5.2%

Revenues

Total revenues rose 26% to Ps. 3,928 million in 4Q15 and Ps. 14,558 million in 2015, a 27% growth year-over-year. The figures in this report for Video, Internet and Telephony reflect revenues from the mass market while corporate revenues are included in the corporate segment.

Revenues for the telephony segment did not grow at the pace rate as subscribers, due to the elimination of the long distance rate, a decline of interconnection revenues, and a reduction in the mobile phone call rate.



	4Q15	4Q14	%Var	12M15	12M14	%Var
Video	1,866,603	1,624,962	15%	6,931,450	6,248,166	11%
Internet	1,006,255	695,827	45%	3,500,561	2,526,765	39%
Telephony	344,350	327,819	5%	1,360,470	1,265,114	8%
Corporate	681,153	429,890	58%	2,672,043	1,333,409	100%
Other	29,142	29,956	-3%	92,637	102,308	-9%
Total	3,927,503	3,108,453	26%	14,557,162	11,475,762	27%

ARPU

ARPU per unique subscriber rose by 3% compared to 4Q14, reaching Ps. 366.4 in 4Q15 and rose by 5% compared to 3Q15. This was due to the price increases in October as well as the adoption of more and better products per subscriber.

Video ARPU decreased 1%, compared to 4Q14, reaching Ps. 227.0. At the close of 4Q15, 30% and 26% of subscribers contracted double and triple service services, respectively.

Internet ARPU increased compared to 4Q14, reaching Ps. 188.2.

Telephony ARPU declined 15%, compared to 4Q14, due to the application of the new telecommunications regulation, which affected revenues in this segment, and the elimination of some items above mentioned.

	4Q15	4Q14	% Var	3Q15	% Var
ARPU (1) (Ps.)					
Unique subscribers of cable	366.4	354.6	3%	349.9	5%
Video	227.0	229.1	-1%	217.1	5%
Internet	188.2	180.1	4%	179.2	5%
Telephony	130.7	154.6	-15%	139.9	-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
- (2) As of 2Q15, the calculation for this indicator only includes income for the mass market, in order to prevent distortion of the ARPU per subscriber.

Corporate Segment Revenues

	4Q15	4Q14	%Var	12M15	12M14	%Var
Metrocarrier	143,276	67,096	114%	393,716	246,346	60%
PCTV	87,975	110,936	126%	458,087	110,936	24%
HO1A	286,441	104,161	175%	1,201,858	441,923	172%
MCM	163,461	147,697	11%	618,382	534,205	16%
Total	681,153	429,890	58%	2,672,043	1,333,409	100%

With the four units we are able to cover all markets, from government agencies to the small and mid-sized companies, with a product portfolio that includes the traditional services (connectivity and telephony) to the more advanced integrated services, equipment, production and distribution of content, with a presence throughout most of the nation.

Revenues from the corporate segment represents 18% of total revenues, an increase of 100% year-over year.

Revenues from the corporate segment rose 58%, or Ps. 251 million compared to 4Q14. Ho1a, with the CFE project, contributed Ps. 182 million. The additional growth comes from Metrocarrier with 114% and MCM with 11% compared to 4Q14. It is important to mention that revenues from the micro segment continue to be reflected in the number of subscribers and mass market revenues.

Cost of Service

Cost of service increased 27% in the mass market during 4Q15, in line with revenues. Costs for the corporate market grew 62%, mainly as a result of the CFE project, which is operated by Ho1a.

Operating and General Expenses

Operating and general expenses rose by 13% versus 4Q14 in the cable operations, which was lower than the increase in net sales and was due to higher operating efficiency in accounts payable, inventory and energy costs, among other, which is evidence of the Company's effort to improve profitability.

EBITDA

Adjusted EBITDA for the cable operations reached Ps. 1,481 million in 4Q15, an increase of 29% compared to 4Q14, with a 43.7% margin. Consolidated EBITDA margin was 40.7% for 4Q15, for a total of Ps. 1,597 million, an increase of 32% versus 4Q14. This growth is in line with our growth in net sales, as well as operating expenses efficiency.

It is important to mention that EBITDA in the corporate segment rose by 85% generating Ps. 116 during 4Q15, with a 22% margin. This was 5 basis points higher than the 17%, reached in 4Q14, and was the result of the extraordinary 48% increase in other revenues and higher operating expense efficiency.

	4Q15	4Q14	%Var	12M15	12M14	%Var
CONSOLIDATED						
Consolidated operating profit	1,016,617	823,695	23%	3,891,278	3,140,716	24%
Plus consolidated depreciation and amortization	580,452	390,427	49%	1,952,013	1,666,351	17%
Consolidated EBITDA	1,597,069	1,214,122	32%	5,843,292	4,807,067	22%
Consolidated EBITDA Margin	40.7%	39.1%		40.1%	41.9%	
CABLE OPERATIONS						
Non Cable Operations	116,111	62,932	85%	375,745	238,001	58%
Cable Adjusted EBITDA	1,480,958	1,151,190	29%	5,467,547	4,569,067	20%
EBITDA Margin of Cable	43.7%	41.9%		44.5%	44.0%	

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 rose by 30%, slightly below the EBITDA growth, therefore reaching Ps. 927 million compared to Ps. 716 million in 4Q14. This was due to an increase in depreciation and tax rate that was offset by other revenues generated during the period.

Depreciation rose by 49% for the quarter and by 17% annually, which was in line with the growth in fixed assets for the period. Other revenues were generated by additional discounts achieved with our providers.

Net Debt

Net debt reached Ps. 429 million, mainly due to the calculations used to register net debt, since Megacable has to include the loan related to the CFE project, but not the account receivable with CFE registered in the balance sheet, which basically represents the same amount of the loan, this situation will remain until completion of the project, which we estimate will take place in 3Q16.

	4Q15	4Q14
Short Term Debt	2,188,019	680,679
One year maturity of long-term bank loans	2,188,019	680,679
Long-Term Debt	1,044,773	2,138,509
Bank Loans	1,015,858	2,134,008
Accounts Payable	28,915	4,501
Total Debt	3,232,793	2,819,188
Cash and Short-Term Investments	2,803,889	4,006,989
Net Debt	428,903	(1,187,801)

Net Comprehensive Financing

The Company reported a net financing cost of Ps. 3 million in 4Q15, where interest income represented Ps. 5 million and a net exchange loss of Ps. 2 million.

	4Q15	4Q14	4Q15	4Q14
Net Exchange Gain/Loss	- 1,768	- 69,827	- 103,946	- 72,636
Interest Income	26,524	43,943	164,054	162,943
Interest Expense	21,698	31,718	140,945	127,553
Net Comprehensive Financial Result	3,058	57,602	80,837	37,246

CAPEX

During 4Q15, Megacable reported CAPEX of Ps. 874 million and Ps. 3,765 million in 2015. This investment was mainly allocated towards the construction of new network kilometers, the acquisition of subscriber equipment for both the digitalization project and subscriber growth in the internet/telephony segment, as well as the modernization of the Company's cable network.

CAPEX was mainly allocated towards subscriber equipment, which represented 39%, 22% for access and transportation equipment, 15% in construction, 8% in CRC equipment and tools, 8% in office and computer equipment and the remaining 8% for others.

Stock Information

Ticker MEGA.CPO	CPO's	Serie "A"
Total Shares (thousands)		1,721,356
Outstanding shares (thousands)	300,119	600,237
Shares in Treasury (thousands)	1,166	2,333
2 Series "A" Shares =		1 CPO
Mkt. Cap (In Ps. millions)		\$ 55,172
Closing Price (Ps) *		\$ 64.19
Free Float		35%
As of December 31, 2015		

Source: Infosel

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 4Q15 Earnings Conference Call on Friday, February 26, 2016 at 10:00am (Central Time) / 11:00am (Eastern Time).

To access the call dial in:

1-800-311-9404 (from within the U.S.)

1-334-323-7224 (from outside the U.S.)

Conference ID Number: 35832

Balance Sheet

	2015	2014
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and short-term investments	2,803,889	4,006,989
Accounts receivable from customers and other, net	1,714,974	739,073
Recoverable taxes	1,080,372	507,202
Inventories	465,739	154,273
Total Current Assets	6,064,974	5,407,536
Property, systems and equipment, net	17,657,846	14,398,758
Goodwill, net	4,378,397	4,378,397
Deferred Taxes	207,279	265,653
Other assets	138,065	243,461
Affiliated and associated companies	883,141	660,757
Total Assets	29,329,702	25,354,563
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>CURRENT LIABILITIES</u>		
One year maturity of long-term liabilities	2,188,019	680,679
Suppliers	1,498,187	934,681
Affiliated and associated companies	113,740	113,740
Accounts payable and accrued expenses payable	1,018,344	705,983
Total Current Liabilities	4,818,290	2,435,082
<u>LONG TERM LIABILITIES</u>		
Bank loans	1,015,858	2,134,008
Labor obligations	197,826	159,847
Accounts payable	28,915	4,501
Deferred taxes	2,283,184	1,950,256
Affiliated and associated companies	805,194	644,711
Total Long-Term Liabilities	4,330,978	4,893,323
Total Liabilities	9,149,268	7,328,405
<u>STOCKHOLDERS' EQUITY</u>		
Capital Stock	910,244	910,244
Net Premium on the placement of shares	2,100,040	2,117,560
Retained Earnings	15,848,912	13,841,417
Minority Interest	832,406	668,105
Legal Reserve	488,832	488,832
Total Stockholders' Equity	20,180,434	18,026,158
Total Liabilities & Stockholders' Equity	29,329,702	25,354,563

Income Statement - Quarterly

	4Q15	4Q14	% Var
Income	\$ 3,927,503	\$ 3,108,453	26%
Cost of Services	1,239,000	927,938	34%
Gross Profit	\$ 2,688,504	\$ 2,180,516	23%
Operating and General Expenses	1,091,435	966,394	13%
EBITDA	\$ 1,597,069	\$ 1,214,122	32%
Depreciation and amortization	580,452	390,427	49%
Operating Profit	\$ 1,016,617	\$ 823,695	23%
Other income (expenses), net	82,635	30,608	170%
Comprehensive Financing Income, Net	-3,058	57,602	(105%)
Equity in income of associated companies	0	3,368	(100%)
Non Ordinary Items	0	8,406	
Income Before Income Tax and Minority Interest	\$ 1,102,310	\$ 784,928	40%
Income Tax	175,213	69,055	154%
Net Profit	\$ 927,097	\$ 715,873	30%
Net income attribute to:			
Non-Controlling interest	56,508	-23,071	(345%)
Controlling interest	870,589	738,945	18%
	\$ 927,097	\$ 715,873	30%

Income Statement - Accumulated

	12M15	12M14	% Var
Income	\$ 14,557,162	\$ 11,475,762	27%
Cost of Services	4,801,997	3,355,362	43%
Gross Profit	\$ 9,755,164	\$ 8,120,400	20%
Operating and General Expenses	3,911,873	3,313,333	18%
EBITDA	\$ 5,843,292	\$ 4,807,067	22%
Depreciation and amortization	1,952,013	1,666,351	17%
Operating Profit	\$ 3,891,278	\$ 3,140,716	24%
Other income (expenses), net	311,418	106,772	192%
Comprehensive Financing Income, Net	80,837	37,246	117%
Equity in income of associated companies	0	0	(93%)
Non Ordinary Items	0	8,406	(100%)
Income Before Income Tax and Minority Interest	\$ 4,121,859	\$ 3,201,836	29%
Income Tax	959,108	659,127	46%
Net Profit	\$ 3,162,751	\$ 2,542,709	24%
Net income attribute to:			
Non-Controlling interest	161,159	64,707	149%
Controlling interest	3,001,593	2,478,002	21%
	\$ 3,162,751	\$ 2,542,709	24%

Income Statement by Segment - Quarterly

	4Q15	4Q14	% Var
CABLE OPERATIONS			
Income	3,389,626	2,745,659	23%
Cost of Services	962,891	757,200	27%
Gross Profit	2,426,735	1,988,459	22%
Operating and General Expenses	945,778	837,269	13%
EBITDA	\$ 1,480,958	\$ 1,151,190	29%
	44%	42%	
OTHER			
Income	537,877	362,794	48%
MCM	163,461	147,697	11%
HO1A	286,441	104,161	175%
PCTV	87,975	110,936	(21%)
Cost of Services	276,109	170,737	62%
MCM	27,753	42,480	(35%)
HO1A	227,928	55,565	310%
PCTV	20,427	72,692	(72%)
Gross Profit	261,768	192,056	36%
Operating and General Expenses	145,657	129,125	13%
MCM	81,598	72,642	12%
HO1A	22,612	27,423	(18%)
PCTV	41,447	29,060	43%
EBITDA	\$ 116,111	\$ 62,932	85%
	22%	17%	
TOTAL OPERATION			
Income	3,927,503	3,108,453	26%
Cost of Services	1,239,000	927,938	34%
Gross Profit	2,688,504	2,180,516	23%
Operating and General Expenses	1,091,435	966,394	13%
EBITDA	\$ 1,597,069	\$ 1,214,122	32%
	41%	39%	

Income Statement by Segment - Accumulated

	12M15	12M14	% Var
CABLE OPERATIONS			
Income	12,278,834	10,388,699	18%
Cost of Services	3,447,246	2,889,546	19%
Gross Profit	8,831,589	7,499,153	18%
Operating and General Expenses	3,364,041	2,930,087	15%
EBITDA	\$ 5,467,547	\$ 4,569,067	20%
	45%	44%	
OTHER			
Income	2,278,327	1,087,064	110%
MCM	618,382	534,205	16%
HO1A	1,201,858	441,923	172%
PCTV	458,087	110,936	313%
Cost of Services	1,354,752	465,816	191%
MCM	111,512	122,675	(9%)
HO1A	1,000,393	270,450	270%
PCTV	242,847	72,692	234%
Gross Profit	923,576	621,247	49%
Operating and General Expenses	547,831	383,247	43%
MCM	300,530	251,941	19%
HO1A	101,103	102,245	(1%)
PCTV	146,199	29,060	403%
EBITDA	\$ 375,745	\$ 238,001	58%
	16%	22%	
TOTAL OPERATION			
Income	14,557,162	11,475,762	27%
Cost of Services	4,801,997	3,355,362	43%
Gross Profit	9,755,164	8,120,400	20%
Operating and General Expenses	3,911,873	3,313,333	18%
EBITDA	\$ 5,843,292	\$ 4,807,067	22%
	40%	42%	