

# maxcom

MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V.

We continue the execution of our transformation plan for improving the operation that allow us the future growth and sustainable balance.

Second Quarter 2015

## MAXCOM REPORTS RESULTS FOR THE SECOND QUARTER OF 2015

**Mexico City, July 23<sup>rd</sup>, 2015.** – Maxcom Telecomunicaciones, S.A.B. de C.V. (“Maxcom”, or “the Company”) (OTCQX: MXMTY) (BMV: MAXCOM CPO), one of the leading integrated telecommunications companies in Mexico, announced today its unaudited financial and operating results for the second quarter, ended on June 30<sup>th</sup>, 2015.

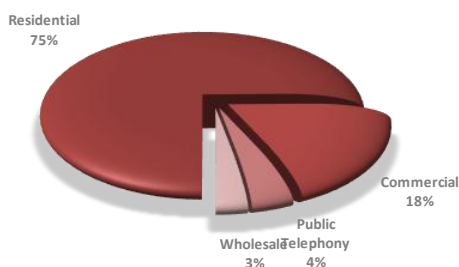
NOTE: The monetary amounts in this report have been presented in accordance to International Financial Reporting Standards (IFRS). Amounts are expressed in millions of current Mexican Pesos.

### Business Management: Operative Highlights

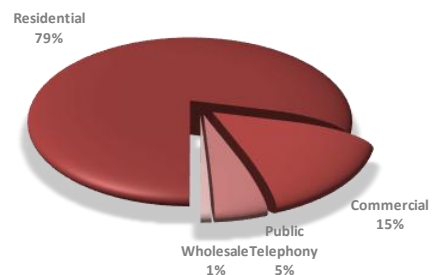
- Total company Revenue Generating Units or RGUs, decreased by 4% to reach 598,877 in 2Q15 compared to the same period of the last year. The Company registered RGU net connections of minus 24,832 during the year.
- Total company customer base decreased by 10% to reach 231,132 customers.
- When compared to the same period of last year, voice RGUs decreased 2% reaching 337,874. Voice RGUs include residential voice, commercial voice, public telephone lines and wholesale lines.
- Data residential RGUs increased by 2% to reach 166,864 compared to 163,606 in 2Q14.
- The number of coin operated public phones totaled 26,685, presenting a decrease of 22% in comparison to those in 2Q14.
- The total mobile RGUs base reached 29,801 units which is 29% less than the number registered in 2Q14.
- Pay TV number of RGUs reached 61,546 which represent a decrease of 13% with respect to the figure recorded in 2Q14.
- The residential RGU per customer rate is 1.9, the same with respect at 2Q14.
- The commercial RGU per customer rate went from 33.1 in the 2Q14 to 41.9 at the end of the 2Q15.

2Q15	Concept	2Q14
<b>228,541</b>	<b>Residential Customers</b>	<b>254,035</b>
182,687	Voice	203,243
165,361	Data	162,036
21,711	Mobile	28,292
61,407	TV	62,081
<b>445,171</b>	<b>Residential RGUs</b>	<b>488,317</b>
187,005	Voice	212,117
166,864	Data	163,606
29,756	Mobile	42,142
61,546	TV	70,452
1.9	RGU per Residential Customer	1.9
<b>2,591</b>	<b>Commercial Customers</b>	<b>2,807</b>
2,278	Voice	2,522
1,259	Data	1,341
9	Mobile	12
174	Other	178
<b>108,469</b>	<b>Commercial RGUs</b>	<b>92,971</b>
105,632	Voice	89,989
2,521	Data	2,642
45	Mobile	67
271	Other	273
41.9	RGU per Commercial Customer	33.1
<b>26,685</b>	<b>Public Telephony RGUs</b>	<b>34,296</b>
<b>18,552</b>	<b>Wholesale RGUs</b>	<b>8,125</b>
<b>598,877</b>	<b>Total RGUs</b>	<b>623,709</b>
<b>337,874</b>	<b>Voice RGUs (voice lines in service)</b>	<b>344,527</b>
<b>231,132</b>	<b>Total Number of Customers</b>	<b>256,842</b>

**RGUs 2Q15**



**RGUs 2Q14**

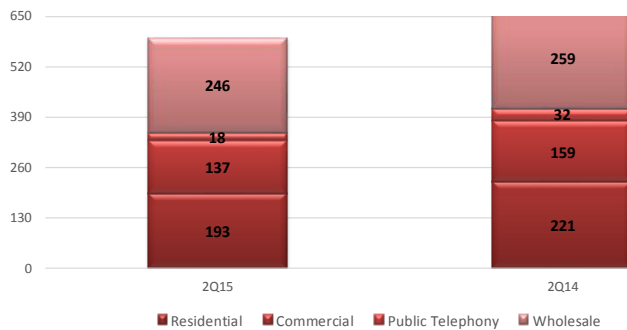
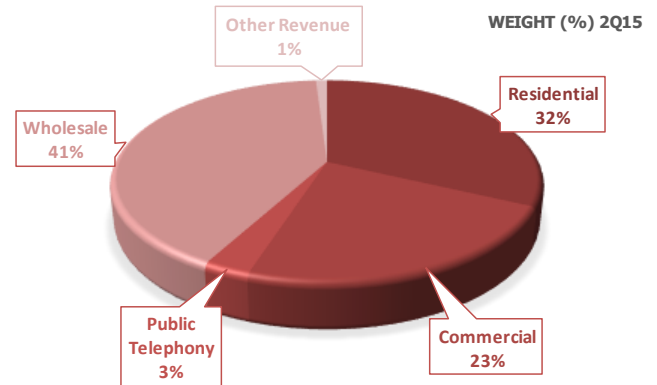


### Business Management: Revenues and Expenses

#### Revenues

Reported revenues for the second quarter of 2015 amounted Ps.599 million, presenting a decrease of 11% compared to the same quarter of last year. This variation is mainly explained by the decrease in the Residential and Commercial segments. Additionally, the revenues reflect the pace of divestiture in the public telephony segment.

		2Q15	2Q14	Δ%
Residential	Ps.	193	221	(13%)
Commercial		137	159	(14%)
Public Telephony		18	32	(44%)
Wholesale		246	259	(5%)
Other Revenue		5	4	25%
Total	Ps.	599	675	(11%)



Total Maxcom revenues for the six months ended on June 30<sup>th</sup> reach the figure of Ps.1,225 million, which represent a decrease of 7% with respect to revenues of Ps.1,324 million recorded cumulatively in the same period of 2014.

		6M15	Weight %	6M14	Weight %	Δ%
Residential	Ps.	397	32%	447	33%	(11%)
Commercial		286	23%	345	26%	(17%)
Public Telephony		39	3%	65	5%	(40%)
Wholesale		494	41%	458	35%	8%
Other Revenue		9	1%	9	1%	-
Total	Ps.	1,225	100%	1,324	100%	(7%)

#### Residential

This segment represented 32% of total revenues during 2Q15, a lower participation than the obtained during 2Q14, being this at 33%. Compared to 2Q14, revenues in this business unit had a decrease of 13% or Ps.28 million.

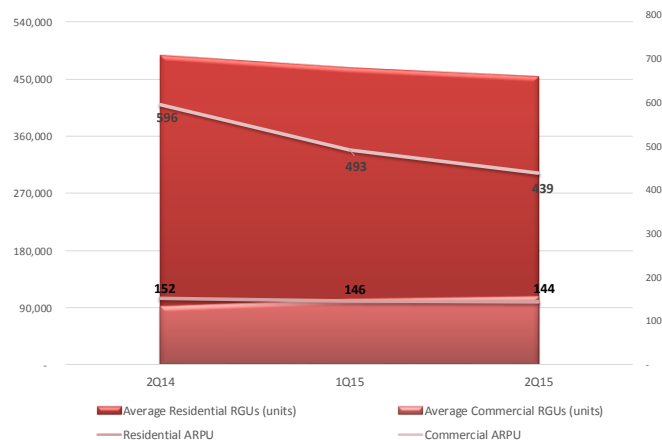
For the six months ended on June 30<sup>th</sup>, 2015, revenues for the residential business totaled Ps.397 million, a decrease of 11% in comparison with the Ps.447 million registered in the same period of 2014.

The average revenue per unit ("ARPU") for the residential business was Ps.144 in the 2Q15, 5% lesser than ARPU of Ps.152 registered in 2Q14.

The rate of RGU per customer during this quarter was 1.9, which is the same reported in the 2Q14.

#### Commercial

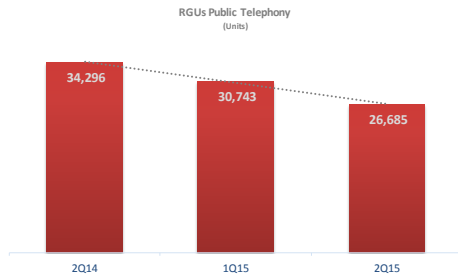
Revenues of the commercial segment represented 23% of total revenues during the 2Q15, compared with the 24% recorded in the 2Q14. Revenues reached Ps.137 million, a decrease of 14% in comparison with Ps.159 million registered during 2Q14.



For the six months ended on June 30<sup>th</sup>, 2015, revenues for the commercial business were Ps.286 million, representing a decrease of 17% in comparison with the Ps.345 million registered in the same period of 2014.

Commercial business ARPU during 2Q15 was Ps.439, below than Ps.596 recorded in 2Q14.

The number of RGUs per commercial customer increased 27% to be in 41.9 RGUs per customer when compared to 33.1 RGUs reached in 2Q14.



### Public Telephony

The public telephony income represented 3% of total revenues in 2Q15. Revenues reached Ps.18 million, a decrease of 44% (Ps.14 million) in comparison to Ps.32 million obtained in the same period in 2014. The decrease in revenues is attributed to a minor number of telephones in operation, derived of our disinvestment strategy in this business unit.

For the six months of 2015, the revenues from public telephony were Ps.39 million, which compares with the Ps.65 million of the first semester of 2014, represents a decrease of 40%.

### Wholesale

In 2Q15, wholesale revenues decreased 5% (Ps.13 million) reaching Ps.246 million, compared to Ps.259 million registered during the same period in the previous year. The slight reduction in this business unit was due to the lower traffic carried through our network.

In cumulative way, for the first semester of 2015 income of wholesale business unit registered Ps.494 million, an increase of 8% in comparison with the income of Ps.458 million recognized in the same period of the previous year.

### Other Revenues

Other revenue concept contributed marginally and reached Ps.5 million, representing an increase of Ps.1 million against the figure reported in the 2Q14. These revenues reached Ps.9 million during the first six months of 2015, same figure recorded on the first semester of 2014.

### Network Operation Cost

Network Operation Costs in 2Q15 decreased 10% or Ps.39 million to reach Ps.332 million in comparison to Ps.371 million in 2Q14. The Company incurred approximately Ps.44 million less in interconnection costs, partially offset by Ps.6 million additional technical expenses. A non-recurrent event in the interconnection cost occurred during the quarter. Due to a wrong configuration of the interconnection links in our network the company incurred in additional costs that represented around Ps.15 million.

For the period of 6 months ended on June 30<sup>th</sup>, 2015, the total network operation costs amounted Ps.648 million, compared to Ps.697 million in the same period of the last year; a variation of 7%. In both cases, quarterly and semiannually, the variation mainly derived from the benefits in interconnection costs.

### SG&A

SG&A expenses were Ps.189 million in 2Q15 a 10% or Ps.17 million more in comparison to the Ps.172 million reported in the same period of 2014. This growth is mainly explained by the increase of payroll expenses as a result of the reinforcement of management team during 2014. In the first six months of 2015 the expenses amounted Ps.387 million, being an increase of 12% in comparison with Ps.345 million of the same period of last year.

### EBITDA

EBITDA for 2Q15 was Ps.77 million, below of Ps.131 million registered in the same period last year. EBITDA Margin was 13% during the period, lower than the 19% registered in 2Q14. Excluding the non-recurring event in the interconnection costs, normalized EBITDA of the quarter was Ps. 92 million. For the six months ended June 30<sup>th</sup>, 2015,

EBITDA amounted to Ps.190 million, a 33% decrease in comparison to the Ps.281 million recorded in the same period of 2014. EBITDA margin for the six months of 2015 was 15%, lower than the 21% of the same period 2014.

### Operating Income (Loss)

The Company registered an operating loss for 2Q15 of Ps.47 million, representing a decrease in comparison to an operating income of Ps.23 million recorded in the same period of 2014. For the six months ended June 30<sup>th</sup>, 2015 the company reported an operating loss of Ps.64 million, below at the operating income of Ps.69 million reported in the same period previous year.

### Comprehensive Financial Result

During the second quarter of this year, Maxcom purchased USD\$8.2 million of its outstanding Step-Up Senior Notes, at an average price of USD\$74.89 per each USD\$100 principal amount. As a result of this operation, total debt reduced from USD\$161.3 to USD\$153.1 million and generate an approximated profit of Ps.32 million. During the quarter, the Company registered a net financing cost of Ps.127 million, in comparison with a loss of Ps.50 million registered in the same period of 2014. The increase of Ps.77 million is mainly explained by the exchange rate loss of the period of Ps.56 million.

	2Q15	2Q14	ΔPs.	Δ%
Interest Expense	35	30	5	17%
Interest (Income)	(5)	(2)	(3)	150%
Valuation Effects – Net	41	18	23	128%
Exchange Rate (Gain) Loss – Net	56	4	52	1,300%
<b>Total</b>	<b>127</b>	<b>50</b>	<b>77</b>	<b>154%</b>

For the six months ended June 30<sup>th</sup>, 2015, comprehensive financial loss for the Company reached Ps.169 million, compared with the loss of Ps.113 million recorded in the same period of 2014.

### Taxes

At the end of the 2Q15, the Company did not recorded taxes.

### Net Income

The Company posted a net loss during 2Q15 of Ps.174 million, in comparison to the net loss of Ps.26 million reported in the same period of 2014. For the six months ended on June 30<sup>th</sup>, 2015, the Company registered a net accumulated loss of Ps.232 million in comparison to the net loss of Ps.45 million recorded in the same period of 2014.

**Liquidity and Capital Sources**

Millions of Pesos	Second Quarter Ended June 30, 2015	Second Quarter Ended June 30, 2014
Resources from Operations and Working Capital	(180)	39
CAPEX	(186)	(131)
Free Cash Flow	(366)	(92)
Financing Activities	24	(68)
Cash and Financial Instruments at the Start of the Period	1,217	1,955
Cash and Financial Instruments at the End of the Period	875	1,795

Millions of Pesos	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Resources from Operations and Working Capital	(261)	89
CAPEX	(339)	(225)
Free Cash Flow	(600)	(136)
Financing Activities	32	(23)
Cash and Financial Instruments at the Start of the Period	1,443	1,954
Cash and Financial Instruments at the End of the Period	875	1,795

**Capital Expenditures**

The Capital Expenditures during the period totaled Ps.186 million, an increase of Ps.55 million of the amount invested in 2Q14. Capital Expenditures were primarily used to increase and improve the capacity our fiber optics transport network and the internet infrastructure, and to renew our operation systems.

For the six months ended June 30<sup>th</sup>, 2015 capital expenditures reached Ps.339 million, above of Ps.225 million recorded in the same period of 2014.

**Indebtedness**

At June 30<sup>th</sup>, 2015 the Company reported its Indebtedness level at Ps.2,387 million. The Company's leverage ratio measured by Debt to EBITDA is at 4.93 times and the Net Debt to EBITDA is at 3.13 times during this period.

Comparative leverage ratios:

	2Q15	1Q15	2Q14
Net Debt/EBITDA LTM	3.13	2.38	1.01

**About MAXCOM**

MAXCOM Telecomunicaciones, S.A.B. de C.V., headquartered in Mexico City, Mexico, is a facilities-based telecommunications provider using a "smart-build" approach to deliver last-mile connectivity to micro, small and medium-sized businesses and residential customers in the Mexican territory. MAXCOM launched commercial operations in May 1999 and is currently offering local, long distance, data, value-added, paid TV and IP-based services on a full basis in greater metropolitan Mexico City, Puebla, Tehuacan, San Luis, and Queretaro, and on a selected basis in several cities in Mexico. The information contained in this press release is the exclusive responsibility of MAXCOM Telecomunicaciones, S.A.B. de C.V. and has not been reviewed by the Mexican National Banking and Securities Commission (CNBV) or any other authority. The registration of the securities described in this press release before the National Registry of Securities (Registro Nacional de Valores) held by the CNBV, shall it be the case, does not imply a certification of the investment quality of the securities or of MAXCOM's solvency. The trading of these securities by an investor will be made under such investor's own responsibility.

For more information contact:

Rodrigo Wright

México, D.F., México

(52 55) 4770-1170

[rodrigo.wright@maxcom.com](mailto:rodrigo.wright@maxcom.com)

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## Second Quarter 2015 Results

**MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENT FINANCIAL POSITION IFRS**  
 Thousand of Mexican Pesos ("Ps.")

	As of June 30, 2015		As of June 30, 2014		vs 2Q 2014 Var \$		Var %
<b><u>ASSETS:</u></b>							
<b>CURRENT ASSETS:</b>							
Cash and financial instruments	Ps.	875,436	Ps.	1,795,228	Ps.	(919,792)	(51%)
		875,436		1,795,228		(919,792)	(51%)
Accounts receivable:							
Customers, net of allowance		473,496		598,396		(124,900)	(21%)
Value added tax refundable		233,981		133,874		100,107	75%
Other sundry debtors		57,019		43,051		13,968	32%
		764,496		775,321		(10,825)	(1%)
Inventory		36,417		29,011		7,406	26%
Prepaid expenses		16,956		17,449		(493)	(3%)
Total current assets		1,693,305		2,617,009		(923,704)	(35%)
Frequency rights, net		250		6,544		(6,294)	(96%)
Telephone network systems and equipment, net		3,531,884		2,876,317		655,567	23%
Intangible assets, net		186,633		119,721		66,912	56%
Long term restricted cash		3,892		-		3,892	N/A
Financial instruments		7,870		-		7,870	N/A
Deposits		9,071		8,663		408	5%
Deferred taxes		9,057		8,794		263	3%
Other assets		2,151		2,151		-	-
<b>Total assets</b>	<b>Ps.</b>	<b>5,444,113</b>	<b>Ps.</b>	<b>5,639,199</b>	<b>Ps.</b>	<b>(195,086)</b>	<b>(3%)</b>
<b><u>LIABILITIES</u></b>							
<b>CURRENT LIABILITIES:</b>							
Interest payable		3,611		6,019		(2,408)	(40%)
Accounts payable and accrued expenses		456,153		370,203		85,950	23%
Customers deposits		2,383		2,317		66	3%
Hedging valuation		-		1,868		(1,868)	100%
Payroll and other taxes payable		38,992		34,451		4,541	13%
Total current liabilities		501,139		414,858		86,281	21%
<b>LONG-TERM LIABILITIES:</b>							
Senior notes		2,112,752		1,930,688		182,064	100%
Other accounts payable		83,611		39,404		44,207	112%
Pensions and post-retirement obligations		5,757		5,079		678	13%
Other long term liabilities		24,033		85,085		(61,052)	(72%)
Long Term Liabilities		2,226,153		2,060,256		165,897	8%
<b>Total liabilities</b>	<b>Ps.</b>	<b>2,727,292</b>	<b>Ps.</b>	<b>2,475,114</b>	<b>Ps.</b>	<b>252,178</b>	<b>10%</b>
<b><u>SHAREHOLDERS' EQUITY</u></b>							
Capital stock		7,082,904		7,081,901		1,003	-
Premium on capital stock		41,113		40,033		1,080	3%
Accumulated deficit		(4,218,326)		(3,913,067)		(305,259)	(8%)
Net profit (loss) for the period		(232,256)		(44,782)		(187,474)	(419%)
Other comprehensive income		43,386		-		43,386	N/A
<b>Total shareholders' equity</b>	<b>Ps.</b>	<b>2,716,821</b>	<b>Ps.</b>	<b>3,164,085</b>	<b>Ps.</b>	<b>(447,264)</b>	<b>(14%)</b>
<b>Total liabilities and equity</b>	<b>Ps.</b>	<b>5,444,113</b>	<b>Ps.</b>	<b>5,639,199</b>	<b>Ps.</b>	<b>(195,086)</b>	<b>(3%)</b>





## Second Quarter 2015 Results

MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V. AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IFRS  
 Thousand of Mexican Pesos ("Ps.")

	3 month ended June 30,				vs 3M 2014		6 months ended June 30,				vs 6M 2014	
	2015	%	2014	%	\$ var	% var	2015	%	2014	%	\$ var	% var
<b>TOTAL REVENUES</b>	<b>Ps. 598,777</b>	100%	<b>Ps. 674,566</b>	100%	<b>Ps. (75,789)</b>	<b>(11%)</b>	<b>Ps. 1,224,485</b>	100%	<b>Ps. 1,323,126</b>	100%	<b>Ps. (98,641)</b>	<b>(7%)</b>
Network operating services	288,294	48%	332,572	49%	(44,278)	(13%)	560,568	46%	617,778	47%	(57,210)	(9%)
Technical expenses	43,076	7%	37,448	6%	5,628	15%	85,843	7%	78,117	6%	7,726	10%
Installation expenses	529	0%	749	0%	(220)	(29%)	1,148	0%	1,020	0%	128	13%
<b>Cost of network operation</b>	<b>331,899</b>	<b>55%</b>	<b>370,769</b>	<b>55%</b>	<b>(38,870)</b>	<b>(10%)</b>	<b>647,559</b>	<b>53%</b>	<b>696,915</b>	<b>53%</b>	<b>(49,356)</b>	<b>(7%)</b>
<b>GROSS PROFIT</b>	<b>266,878</b>	<b>45%</b>	<b>303,797</b>	<b>45%</b>	<b>(36,919)</b>	<b>(12%)</b>	<b>576,926</b>	<b>47%</b>	<b>626,211</b>	<b>47%</b>	<b>(49,285)</b>	<b>(8%)</b>
Selling, general and administrative expenses	189,490	32%	172,462	26%	17,028	10%	387,364	32%	344,728	26%	42,636	12%
<b>EBITDA</b>	<b>77,388</b>	<b>13%</b>	<b>131,335</b>	<b>19%</b>	<b>(53,947)</b>	<b>(41%)</b>	<b>189,562</b>	<b>15%</b>	<b>281,483</b>	<b>21%</b>	<b>(91,921)</b>	<b>(33%)</b>
Depreciation and amortization	99,907		92,108		7,799	8%	207,145		183,968		23,177	13%
Other (Income) Expense	24,879		15,825		9,054	57%	46,048		29,000		17,048	59%
<b>Operating income (loss)</b>	<b>(47,398)</b>		<b>23,402</b>		<b>(70,800)</b>	<b>(303%)</b>	<b>(63,631)</b>		<b>68,515</b>		<b>(132,146)</b>	<b>(193%)</b>
<b>Comprehensive (income) cost of financing:</b>												
Interest expense	35,562		29,615		5,947	20%	76,323		67,600		8,723	13%
Interest (income) loss, net	(5,213)		(1,778)		(3,435)	(193%)	(5,712)		(17,983)		12,271	68%
Valuation effects, net	40,800		17,893		22,907	(100%)	(3,911)		50,309		(54,220)	(108%)
Exchange (income) loss, net	55,748		3,716		52,032	1,400%	101,925		13,371		88,554	662%
	<b>126,897</b>		<b>49,446</b>		<b>77,451</b>	<b>157%</b>	<b>168,625</b>		<b>113,297</b>		<b>55,328</b>	<b>49%</b>
<b>INCOME (LOSS) BEFORE TAXES</b>	<b>(174,295)</b>		<b>(26,044)</b>		<b>(148,251)</b>	<b>(569%)</b>	<b>(232,256)</b>		<b>(44,782)</b>		<b>(187,474)</b>	<b>(419%)</b>
Taxes:												
Income tax	-		-		-	-	-		-		-	-
Deferred Income Tax	-		-		-	-	-		-		-	-
<b>Total tax</b>	<b>-</b>		<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>		<b>-</b>	<b>-</b>
<b>NET INCOME (LOSS)</b>	<b>Ps. (174,295)</b>		<b>Ps. (26,044)</b>		<b>Ps. (148,251)</b>	<b>(569%)</b>	<b>Ps. (232,256)</b>		<b>Ps. (44,782)</b>		<b>Ps. (187,474)</b>	<b>(419%)</b>
Other comprehensive result	(2,994)		-		(2,994)	100%	7,656		-		7,656	100%
<b>COMPREHENSIVE NET INCOME (LOSS)</b>	<b>Ps. (177,289)</b>		<b>Ps. (26,044)</b>		<b>Ps. (151,245)</b>	<b>(581%)</b>	<b>Ps. (224,600)</b>		<b>Ps. (44,782)</b>		<b>Ps. (179,818)</b>	<b>(402%)</b>
Weighted average basic shares	3,138,092		2,421,869				3,138,092		2,421,869			
Weighted average fully diluted	3,138,092		2,421,869				3,138,092		2,421,869			
Earnings per share basic	(0.06)		(0.01)				(0.07)		(0.02)			
Earnings per share diluted	(0.06)		(0.01)				(0.07)		(0.02)			

**MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY IFRS**  
 Thousand of Mexican Pesos ("Ps.")

	<b>Capital stock</b>	<b>Additional paid-in capital</b>	<b>Deficit</b>	<b>Other comprehensive income</b>	<b>Total shareholders' equity</b>
Balances as of December 31, 2013	Ps. 7,028,634	Ps. 40,033	Ps. (3,913,067)	Ps. -	Ps. 3,155,600
Reclassification of additional paid-in capital	53,267	-	-	-	53,267
Stock option plan	-	-	-	-	-
Comprehensive net loss	-	-	(44,782)	-	(44,782)
<b>Balances as of June 30, 2014</b>	<b><u>Ps. 7,081,901</u></b>	<b><u>Ps. 40,033</u></b>	<b><u>Ps. (3,957,849)</u></b>	<b><u>Ps. -</u></b>	<b><u>Ps. 3,164,085</u></b>
	<b>Capital stock</b>	<b>Additional paid-in capital</b>	<b>Deficit</b>	<b>Other comprehensive income</b>	<b>Total shareholders' equity</b>
Balances as of December 31, 2014	Ps. 7,082,904	Ps. 41,113	Ps. (4,218,326)	Ps. 35,730	Ps. 2,941,421
Increased in capital Stock	-	-	-	-	-
Stock option plan	-	-	-	-	-
Comprehensive net loss	-	-	(232,256)	7,656	(224,600)
<b>Balances as of June 30, 2015</b>	<b><u>Ps. 7,082,904</u></b>	<b><u>Ps. 41,113</u></b>	<b><u>Ps. (4,450,582)</u></b>	<b><u>Ps. 43,386</u></b>	<b><u>Ps. 2,716,821</u></b>



## Second Quarter 2015 Results

**MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW IFRS**  
 Thousand of Mexican Pesos ("Ps.")

	3 months ended June 30,		vs 2014		6 months ended June 30,		vs 2014	
	2015	2014	\$ var	% var	2015	2014	\$ var	% var
<b>Operating Activities:</b>								
Income before taxes	Ps. (174,295)	Ps. (26,044)	Ps. (148,251)	(569%)	Ps. (232,256)	Ps. (44,782)	Ps. (187,474)	(419%)
Items without cash flow	81,394	149,081	(67,687)	(45%)	166,389	320,430	(154,041)	(48%)
<b>Cash flow from income/loss before taxes</b>	<u>(92,901)</u>	<u>123,037</u>	<u>(215,938)</u>	<u>(176%)</u>	<u>(65,867)</u>	<u>275,648</u>	<u>(341,515)</u>	<u>(124%)</u>
Cash flow from:								
Accounts receivables	(8,755)	(19,845)	11,090	56%	38,992	(25,758)	64,750	251%
Inventory	(1,227)	(908)	(319)	(35%)	(1,753)	(12,314)	10,561	86%
Accounts payables	(47,600)	(37,370)	(10,230)	(27%)	(143,997)	194	(144,191)	(74,325%)
Other assets and liabilities	<u>(28,457)</u>	<u>(25,363)</u>	<u>(3,094)</u>	<u>(12%)</u>	<u>(88,375)</u>	<u>(148,326)</u>	<u>59,951</u>	<u>40%</u>
<b>Cash flow from operation activities</b>	<u>(86,039)</u>	<u>(83,486)</u>	<u>(2,553)</u>	<u>(3%)</u>	<u>(195,133)</u>	<u>(186,204)</u>	<u>(8,929)</u>	<u>(5%)</u>
<b>Net cash flow from operating activities</b>	<u>(178,940)</u>	<u>39,551</u>	<u>(218,491)</u>	<u>(552%)</u>	<u>(261,000)</u>	<u>89,444</u>	<u>(350,444)</u>	<u>(392%)</u>
Cash flow from:								
Telephone network systems and equipment, net	<u>(185,974)</u>	<u>(131,279)</u>	<u>(54,695)</u>	<u>(42%)</u>	<u>(338,892)</u>	<u>(225,046)</u>	<u>(113,846)</u>	<u>(51%)</u>
<b>Cash flow from capital expenditures</b>	<u>(185,974)</u>	<u>(131,279)</u>	<u>(54,695)</u>	<u>(42%)</u>	<u>(338,892)</u>	<u>(225,046)</u>	<u>(113,846)</u>	<u>(51%)</u>
<b>Cash in excess/(required) to be used in financing activities</b>	<u>(364,914)</u>	<u>(91,728)</u>	<u>(273,186)</u>	<u>(298%)</u>	<u>(599,892)</u>	<u>(135,602)</u>	<u>(464,290)</u>	<u>(342%)</u>
Cash flow from :								
Senior notes	23,669	-	23,669	100%	(32,501)	-	(32,501)	100%
Vendor financing	-	-	-	-	50,495	(8,348)	58,843	705%
Capital stock	-	202	(202)	100%	-	53,267	(53,267)	100%
Other financing activities	<u>(104)</u>	<u>(67,781)</u>	<u>67,677</u>	<u>100%</u>	<u>14,211</u>	<u>(67,781)</u>	<u>81,992</u>	<u>(100%)</u>
<b>Cash flow from financing activities</b>	<u>23,565</u>	<u>(67,579)</u>	<u>91,144</u>	<u>135%</u>	<u>32,205</u>	<u>(22,862)</u>	<u>55,067</u>	<u>241%</u>
Increase (decrease) in cash and temporary investments	(341,349)	(159,307)	(182,042)	(114%)	(567,687)	(158,464)	(409,223)	(258%)
Cash and financial instruments at beginning of the period	1,216,785	1,954,535	(737,750)	(38%)	1,443,123	1,953,692	(510,569)	(26%)
<b>Cash and cash equivalents at the end of the period</b>	<u>Ps. 875,436</u>	<u>Ps. 1,795,228</u>	<u>Ps. (919,792)</u>	<u>(51%)</u>	<u>Ps. 875,436</u>	<u>Ps. 1,795,228</u>	<u>Ps. (919,792)</u>	<u>(51%)</u>