



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

First Quarter 2016 Results

MAXCOM REPORTS RESULTS FOR THE FIRST QUARTER OF 2016

Mexico City, April 21, 2016. – Maxcom Telecomunicaciones, S.A.B. de C.V. (OTCQX: MXMTY, BMV: MAXCOM CPO) (“Maxcom” or “the Company”), an integrated telecommunications company in Mexico, announced today its unaudited financial and operating results for the first quarter ended on March 31, 2016.

NOTE: The monetary amounts in this report have been presented in accordance with International Financial Reporting Standards (IFRS). Unless otherwise specified, the amounts are expressed in millions of current Mexican Pesos.

MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V. AND SUBSIDIARIES
FINANCIAL AND OPERATING HIGHLIGHTS

Figures in millions of pesos, except operating data

Item	1Q16	4Q15	% var
Total Revenues	544	566	(4%)
EBITDA	86	101	(15%)
EBITDA margin (%)	16%	18%	
Net income (loss)	(98)	(95)	(3%)
Net margin (%)	(18%)	(17%)	
Cash and financial instruments ¹	650	811	(20%)
CAPEX	129	268	(52%)
Debt ²	2,525	2,534	-
Net debt / LTM EBITDA (X)	5.4	4.6	17%
Customers	205,426	213,805	(4%)
RGUs ³	536,772	545,872	(2%)

¹ Includes long-term restricted cash

² Debt is considered at face value and includes interest payable as of the end of the period

³ Revenue generating units

Relevant Events

On February of 2016 the Federal Telecommunications Institute notified Maxcom the resolution according to which a fine amounting to \$32 million was imposed on the Company for not meeting the minimum percentages required for various services. The above resolution is not final and has been challenged through the competent courts, as we believe that it was not issued according to law.

In virtue of the recent reforms that permit as much as a 100% direct foreign investment in the telecommunications sector, the General Extraordinary Shareholders Meeting held in March approved the following: a) list the shares representative of our capital stock in the Mexican Stock Exchange (“MSE”), b) deliver the shares subjacent to the CPOs to their respective holders, c) execute a reverse split of shares and d) cancel the CPOs, delist them from the MSE and extinguish the CPOs trust.

During the 1Q16 Maxcom repurchased USD\$1.6 million principal amount of Step-Up Senior Notes due in June of 2020 at an average price of USD\$55 per each USD\$100. The outstanding balance of the Step-Up Senior Notes 2020 as of March 31, 2016 amounted to USD\$136 million.

During the 1Q16 we submitted various claims for value added tax refunds. As of March 31 a total of Ps.45 million have been refunded to Maxcom by the tax authorities.

Business Management: Operating Highlights

- Total Revenue Generating Units or RGUs, decreased 12% to reach 536,722 in 1Q16 compared to the same period of last year. The Company registered negative RGU net additions of 73,919 during the period. The total Company customer base decreased by 15% to reach 205,426 customers.

The main factors that explain these movements are:

- The divestiture of the public telephony business
 - The cancellation of prepaid cell phone contracts that were inactive
 - The cancelation of low-margin accounts from the residential segment
- When compared to the same period of last year, voice RGUs decreased 9% reaching 309,121. Voice RGUs include residential voice, commercial voice, public telephone lines and wholesale lines.
- Data residential RGUs decreased 5% to reach 158,870 compared to 167,519 in 1Q15, while data RGUs in the commercial segment increased 14% to 2,904.
- Total mobile RGUs reached 8,652 units which is 75% lower than the number registered in 1Q15.
- Pay TV RGUs reached 56,959 units which represents a decrease of 13% with respect to the figure recorded in 1Q15.
- The RGUs per residential customer rate remained at 1.9, the same level as that reported in 1Q15.
- The RGUs per commercial customer rate went from 39.5 in 1Q15 to 51.4 at the end of 1Q16.

1Q16	Item	1Q15
203,068	Residential Customers	239,277
167,819	Voice	187,057
157,696	Data	165,877
8,890	Mobile	25,391
56,887	TV	65,617
395,867	Residential RGUs	460,063
171,416	Voice	191,672
158,870	Data	167,519
8,622	Mobile	35,048
56,959	TV	65,824
1.9	RGUs per Residential Customer	1.9
2,358	Commercial Customers	2,645
2,025	Voice	2,337
1,196	Data	1,284
8	Mobile	9
162	Other	177
121,299	Commercial RGUs	104,469
118,099	Voice	101,595
2,904	Data	2,537
30	Mobile	61
266	Other	276
51.4	RGUs per Commercial Customer	39.5
-	Public Telephony RGUs	30,743
19,606	Wholesale RGUs	15,416
536,772	Total RGUs	610,691
309,121	Voice RGUs (lines in service)	339,426
205,426	Total Number of Customers	241,922

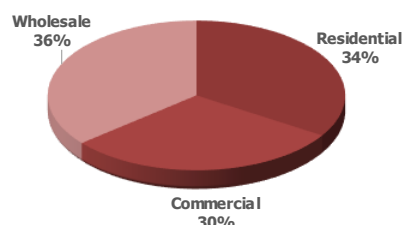
Business Management: Revenues and Expenses

Revenues

Revenues reported in 1Q16 amounted to Ps.544 million, a decrease of 13% compared to the same quarter of last year. This resulted mainly from lower revenues in the wholesale segment due to the reduction of tariffs in a highly competitive market, the reduction in the number of customers in the residential segment and the divestiture of the public telephony business. Sequentially, revenues recorded a decrease of 4%, with a recovery in the commercial business of 4%.

		1Q16		4Q15	QoQ Δ%	1Q15	YoY Δ%
Residential	Ps.	187	Ps.	188	(1%)	204	(9%)
Commercial		163		156	4%	153	6%
Public Telephony		-		6	(100%)	21	(100%)
Wholesale		195		217	(10%)	248	(21%)
Total	Ps.	544	Ps.	566	(4%)	626	(13%)

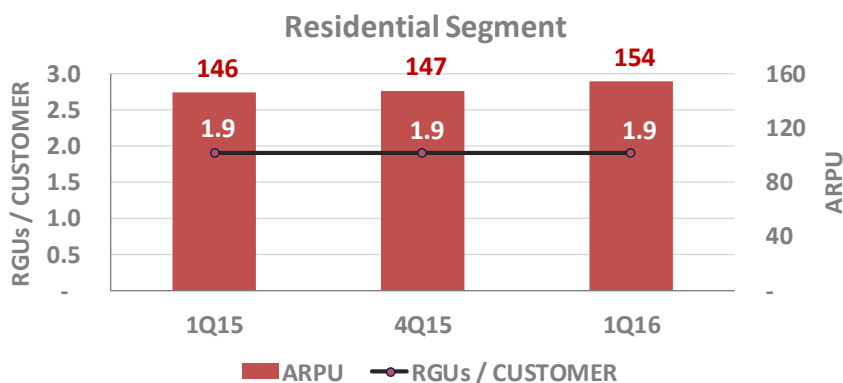
WEIGHT (%) 1Q16



		3M16	%		3M15	%
Residential	Ps.	187	34%	Ps.	204	33%
Commercial		163	30%		153	24%
Public Telephony		-	-		21	3%
Wholesale		195	36%		248	40%
Total	Ps.	544	100%	Ps.	626	100%

Residential

This segment accounted for 34% of total revenues generated during the 1Q16, in line with the percentage reported in the 1Q15 and 4Q15. Comparatively against 1Q15, revenues in this business unit had a decrease of 9% or Ps.17 million. This is mainly the result of the reduction in the customer base experienced during the year. Sequentially, revenues for this business unit remained practically at the same level, in Ps.187 million.

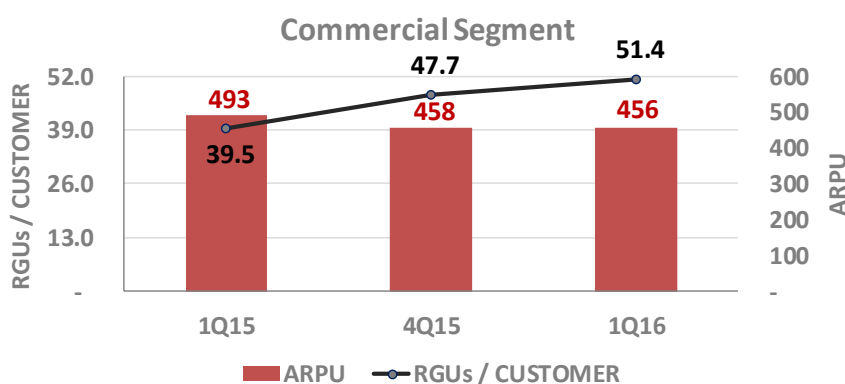


The average revenue per unit ("ARPU") for the residential business was Ps.154 in the 1Q16, 5% higher than the ARPUs of Ps.146 and Ps.147 posted in 1Q15 and 4Q15 respectively. The rate of RGUs per residential customer during this quarter was 1.9, the same level as that recorded at 1Q15 and 4Q15.

Commercial

Revenues of the commercial segment accounted for 30% of total revenues during 1Q16, which compares favorably with 24% and 28% recorded in 1Q15 and 4Q15 respectively. Revenues reached Ps.163 million, an increase of 6% compared to Ps.153 million registered during 1Q15. Sequentially, revenues were 4% higher than the Ps.156 million registered in 4Q15. A positive trend is maintained in the performance of this business unit, as a result of services provided to new customers.

It is worth mentioning that data revenues have grown consistently, in line with our strategy to change the revenue mix giving greater focus to products with higher profitability.



Commercial business ARPU during 1Q16 was Ps.456, 8% below the Ps.493 recorded in 1Q15 and practically at the same level recorded in 4Q15. The rate of RGUs per commercial customer increased 30% to 51.4 RGUs per customer when compared to 39.5 RGUs reported in 1Q15. Sequentially this indicator grew 8%.

Wholesale

In 1Q16, the wholesale business unit posted revenues of Ps.195 million, a decreased of 21% compared to the same period of 2015. Sequentially revenues declined 10%. The reduction in revenue from this business unit was the result of lower traffic through our network and a decrease in rates.

Network Operation Cost

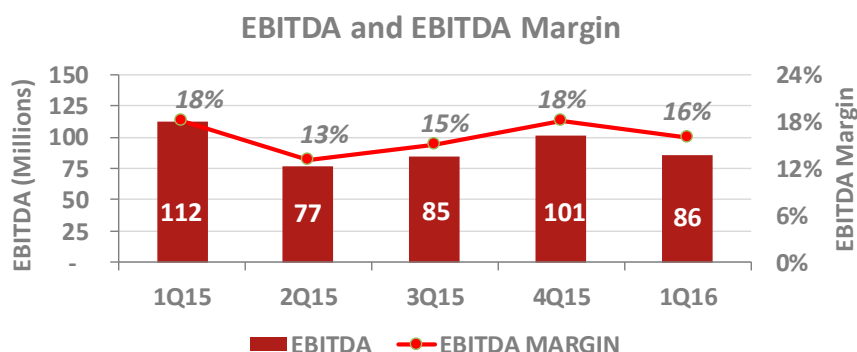
Network operation costs in 1Q16 decreased 4% to Ps.304 million, compared to the Ps.316 million reported in 1Q15. This variation is mainly explained by the reduction in the wholesale business year over year. The gross margin decreased from 50% in the 1Q15 to 44% in the 1Q16, derived from lower margins in the wholesale business and the lower income levels shown by the residential business which, together with the commercial business, are the ones that have the highest margins.

SG&A

During the 1Q16 the Company reported total SG&A expenses of Ps.154 million, 22% lower than the Ps.198 million in 1Q15. This reduction is mainly explained by the downsizing process that took place in September of 2015.

EBITDA

EBITDA for the 1Q16 was Ps.86 million, Ps.26 million lower than the Ps.112 million registered in the same period last year, consequently the EBITDA margin decreased from 18% in the 1Q15 to 16% in the 1Q16. Sequentially EBITDA was Ps.15 million, or 15% lower than the amount reported in the 4Q15 and EBITDA margin went from 18% to 16%.



Operating Income (Loss)

The Company registered an operating loss of Ps.14 million in 1Q16, compared to an operating loss of Ps.16 million recorded in the same period of 2015. This is the result of a decrease in other expenses as well as in depreciation and amortization charges during the period.

Comprehensive Financial Result

During the 1Q16, the Company registered a net financing cost of Ps.83 million, an increase of Ps.42 million compared to the cost of Ps.42 million recorded in the same period of 2015. This is mainly explained by the positive valuation effect in 1Q15, as a result of the repurchase of debt.

	1Q16	1Q15	ΔPs.	Δ%
Interest Expense	41	41	-	1%
Interest (Income)	(5)	-	(5)	(975%)
Valuation Effects – Net	11	(45)	55	N/A
Exchange Rate (Gain) Loss – Net	37	46	(9)	(19%)
Total	83	42	42	100%

Taxes

In the 1Q16 the Company recorded no taxes.

Net Income (Loss)

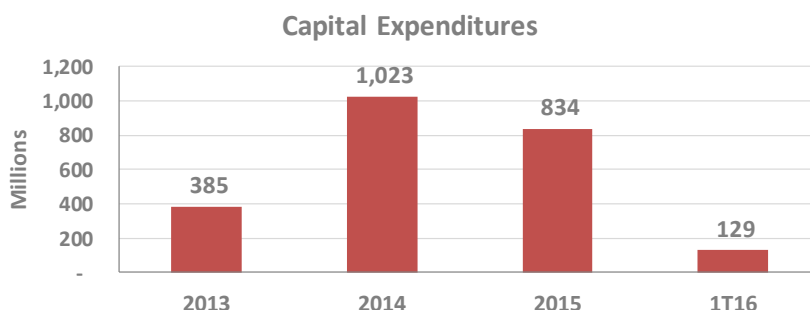
During 1Q16 the Company posted a net loss of Ps.98 million, compared to a net loss of Ps.58 million recorded in the same period of 2015 and of Ps.95 million posted in 4Q15.

Liquidity and Capital Resources

Millions of Pesos	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
Operating Activities	4	(82)
CAPEX	(129)	(153)
Financing Activities	(34)	9
Increase (Decrease) in Cash and Financial Instruments	(159)	(226)
Cash and Financial Instruments at Beginning of Period	795	1,443
Cash and Financial Instruments at End of Period	636	1,217

Capital Expenditures

Capital expenditures during the period totaled Ps.129 million, a decrease of Ps.24 million compared to the amount invested in 1Q15. Capital expenditures were primarily used to increase and improve the capacity our fiber optics transport network and Internet infrastructure.



Indebtedness

At March 31, 2016 the Company reported a level of indebtedness of Ps.2,525 million (debt is valued at face value and includes interest payable at period end). The Company's leverage ratio measured as Debt to EBITDA was 7.23 times and the Net Debt to EBITDA ratio was 5.37 times (last twelve months EBITDA is used in this calculations).

Maxcom Financial Liabilities at March 31, 2016

Figures in Millions	Face Value			Due date	Rate
	Pesos	Dollars	Total Pesos ¹		
Step-Up Senior Notes 2020	-	136.0	2,346.1	June, 2020	6%, 7% y 8%
Bancomext	135.0	-	135.0	September, 2020	9.86%
Total financial debt	135.0	136.0	2,481.1		

¹ Considers the FIX exchange rate at March 31, 2016: Ps\$ 17.2509 per dollar

Comparative leverage ratios:

	1Q16	4Q15	3Q15
Net Debt/LTM EBITDA	5.37	4.59	4.53

As of March 31 Maxcom had entered into cross-currency swaps to cover the interests of the Step-Up Senior Notes 2020 for a notional amount of US\$80 million, this instruments mature on December 15, 2017.

Stockholders' Equity

In December of 2015 the shareholders of Maxcom subscribed and paid 1,337 '381,286 shares (equivalent to 445 '793,762 CPOs) at a price of Ps.1.00 per CPO, thus the Company received a total amount of Ps.445.8 million.

Capital Structure

	1Q16	1Q15
Subscribed and paid shares	4,529,248,541	3,191,867,255
CPOs outstanding ^{1,2}	1,478,752,954	1,032,959,192

¹ One CPO is equivalent to three shares

² Not all shares are in the form of CPOs

It is important to highlight that 762'618,714 shares (equivalent to 254'206,238 CPOs) are pending subscription and payment, these will be kept in the treasury of the Company until they are subscribed and paid for. Providing that subscription and payment will only be conducted at a price equal or higher to Ps.1.00 per CPO.

About MAXCOM

MAXCOM Telecomunicaciones, S.A.B. de C.V., headquartered in Mexico City, 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 its commercial operations in May 1999 and is currently offering local, long distance, data transmission, value-added, pay TV and IP-based services on a full basis in greater metropolitan Mexico City, Puebla, Querétaro, San Luis Potosí, Tehuacán and Toluca, 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 any certification as to the investment quality of the securities or of Maxcom's or the CPO trust solvency. The trading of these securities by an investor will be made under such investor's own responsibility.

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Unless otherwise specified, all references to "USD\$" are to United States dollars and references to "Ps." are to Mexican pesos. Amounts presented in this annual report may not add up or may be slightly inconsistent due to rounding.

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

	As of March 31, 2016	As of March 31, 2015	Var \$	Var %
<u>ASSETS:</u>				
CURRENT ASSETS:				
Cash and financial instruments	Ps. 636,043	Ps. 1,216,785	Ps. (580,742)	(48%)
	636,043	1,216,785	(580,742)	(48%)
Accounts receivable:				
Customers, net of allowance	378,867	478,976	(100,109)	(21%)
Recoverable value added tax	265,949	199,931	66,018	33%
Other sundry debtors	34,895	65,806	(30,911)	(47%)
	679,711	744,713	(65,002)	(9%)
Inventory	33,286	35,190	(1,904)	(5%)
Prepaid expenses	20,777	18,702	2,075	11%
Total current assets	1,369,817	2,015,390	(645,573)	(32%)
Frequency rights, net	-	702	(702)	(100%)
Telephone network systems and equipment, net	3,775,700	3,499,340	276,360	8%
Intangible assets, net	243,005	141,309	101,696	72%
Long-term restricted cash	14,129	3,789	10,340	273%
Financial instruments	254	10,736	(10,482)	(98%)
Deposits in guarantee	8,628	8,915	(287)	(3%)
Deferred taxes	6,591	9,057	(2,466)	(27%)
Other assets	2,151	2,151	-	-
Total assets	Ps. 5,420,275	Ps. 5,691,389	Ps. (271,114)	(5%)
<u>LIABILITIES</u>				
CURRENT LIABILITIES:				
Bank loans	Ps. 30,000	Ps. -	Ps. 30,000	N/A
Interest payable	43,581	44,727	(1,146)	(3%)
Accounts payable and accrued expenses	286,416	503,754	(217,338)	(43%)
Customer deposits	3,156	2,283	873	38%
Other taxes payable	44,391	36,756	7,635	21%
Total current liabilities	407,544	587,520	(179,976)	(31%)
LONG-TERM LIABILITIES:				
Step-up senior notes	2,120,274	2,089,083	31,191	1%
Bank loans	105,000	-	105,000	N/A
Deferred income	65,294	89,717	(24,423)	(27%)
Labor obligations	3,910	5,387	(1,477)	(27%)
Other long-term liabilities	17,019	25,571	(8,552)	(33%)
Long-term liabilities	2,311,497	2,209,758	101,739	5%
Total liabilities	Ps. 2,719,041	Ps. 2,797,278	Ps. (78,237)	(3%)
<u>SHAREHOLDERS' EQUITY</u>				
Capital stock	Ps. 7,528,698	Ps. 7,082,904	Ps. 445,794	6%
Additional paid-in capital	41,113	41,113	-	-
Accumulated losses	(4,802,595)	(4,218,326)	(584,269)	(14%)
Net income (loss) for the period	(97,820)	(57,960)	(39,860)	(69%)
Other comprehensive income	31,838	46,380	(14,542)	(31%)
Total shareholders' equity	Ps. 2,701,234	Ps. 2,894,111	Ps. (192,877)	(7%)
Total liabilities and shareholders' equity	Ps. 5,420,275	Ps. 5,691,389	Ps. (271,114)	(5%)

First Quarter 2016 Results

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

	3 months ended March 31,				vs 3M 2015	
	2016	%	2015	%	\$ var	% var
TOTAL REVENUES	Ps. 544,153	100%	Ps. 625,708	100%	Ps. (81,555)	(13%)
Network operating services	256,681	47%	272,273	44%	(15,592)	(6%)
Technical expenses	46,705	9%	42,767	7%	3,938	9%
Installation expenses	291	0%	619	0%	(328)	(53%)
Network operation cost	303,677	56%	315,659	50%	(11,982)	(4%)
GROSS PROFIT	240,476	44%	310,049	50%	(69,573)	(22%)
Selling, general and administrative expenses	154,441	28%	197,874	32%	(43,433)	(22%)
EBITDA	86,035	16%	112,175	18%	(26,140)	(23%)
Depreciation and amortization	91,086		107,238		(16,152)	(15%)
Other (income) expense	9,275		21,169		(11,894)	(56%)
Operating income (loss)	(14,326)		(16,232)		1,906	12%
Comprehensive (income) cost of financing:						
Interest expense	41,103		40,761		342	1%
Interest (income) loss, net	(5,364)		(499)		(4,865)	(975%)
Valuation effects, net	10,547		(44,711)		55,258	N/A
Exchange (income) loss, net	37,208		46,177		(8,969)	(19%)
	83,494		41,728		41,766	100%
INCOME (LOSS) BEFORE TAXES	(97,820)		(57,960)		(39,860)	(69%)
Taxes:						
Income taxes	-		-		-	-
Deferred taxes	-		-		-	-
Total taxes	-		-		-	-
NET INCOME (LOSS)	Ps. (97,820)		Ps. (57,960)		Ps. (39,860)	(69%)
Other comprehensive result	(604)		10,650		(11,254)	N/A
COMPREHENSIVE NET INCOME (LOSS)	Ps. (98,424)		Ps. (47,310)		Ps. (51,114)	(108%)
Average basic shares	4,529,249		3,133,390			
Average diluted shares	4,529,249		3,133,390			
Earnings per basic share	(0.02)		(0.02)			
Earnings per diluted share	(0.02)		(0.02)			

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

	Capital stock	Additional paid-in capital	Accumulated losses	Other comprehensive income	Total shareholders' equity
Balances as of December 31, 2014	Ps. 7,082,904	Ps. 41,113	Ps. (4,218,326)	Ps. 35,730	Ps. 2,941,421
Increase in capital stock	-	-	-	-	-
Stock option plan	-	-	-	-	-
Comprehensive net loss	-	-	(57,960)	10,650	(47,310)
Balances as of March 31, 2015	Ps. 7,082,904	Ps. 41,113	Ps. (4,276,286)	Ps. 46,380	Ps. 2,894,111
	Capital stock	Additional paid-in capital	Accumulated losses	Other comprehensive income	Total shareholders' equity
Balances as of December 31, 2015	Ps. 7,528,698	Ps. 41,113	Ps. (4,802,595)	Ps. 32,442	Ps. 2,799,658
Increase in capital stock	-	-	-	-	-
Stock option plan	-	-	-	-	-
Comprehensive net loss	-	-	(97,820)	(604)	(98,424)
Balances as of March 31, 2016	Ps. 7,528,698	Ps. 41,113	Ps. (4,900,415)	Ps. 31,838	Ps. 2,701,234



First Quarter 2016 Results

MAXCOM TELECOMUNICACIONES, S.A.B. DE C.V. AND SUBSIDIARIES UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW (IFRS)

Thousands of Mexican Pesos ("Ps.")

	3 months ended March 31,		vs 3M 2015	
	2016	2015	\$ var	% var
Operating Activities:				
Income (loss) before taxes	Ps. (97,820)	Ps. (57,960)	Ps. (39,860)	(69%)
Items not requiring the use of cash	188,206	84,994	103,212	121%
Cash flow from income (loss) before taxes	90,386	27,034	63,352	234%
Cash flow from:				
Accounts receivable	5,033	47,747	(42,714)	(89%)
Inventory	(4,109)	(526)	(3,583)	(681%)
Accounts payable	(89,261)	(96,397)	7,136	7%
Other assets and liabilities	2,030	(59,918)	61,948	N/A
Cash flow from operating activities	(86,307)	(109,094)	22,787	21%
Net cash flow from operating activities	4,079	(82,060)	86,139	N/A
Investing Activities:				
Telephone network systems and equipment, net	(129,213)	(152,918)	23,705	16%
Net cash flow used in investing activities	(129,213)	(152,918)	23,705	16%
Financing Activities:				
Bank loans	(7,500)	-	(7,500)	N/A
Senior notes	(27,875)	(56,170)	28,295	50%
Vendor financing	-	50,495	(50,495)	(100%)
Other financing activities	1,254	14,315	(13,061)	(91%)
Net cash flow from financing activities	(34,121)	8,640	(42,761)	N/A
Increase (decrease) in cash and financial instruments	(159,255)	(226,338)	67,083	30%
Cash and financial instruments at beginning of period	795,298	1,443,123	(647,825)	(45%)
Cash and financial instruments at end of period	Ps. 636,043	Ps. 1,216,785	Ps. (580,742)	(48%)

Important notice: In compliance with provision 4.033.01 and other applicable provisions of the internal regulations of the Mexican Stock Exchange ("MSE"), regarding the "Independent Analyst", Maxcom Telecomunicaciones S.A.B. de C.V. attests that its share, which is listed on the MSE (Maxcom CPO) and on the OTCQX (MXMTY), is being covered by more than two financial institutions, thus the Company will not request nor has requested registration to the program "Independent Analyst", likewise Maxcom complies with all applicable regulations of the MSE and the National Banking and Securities Commission.