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

Fourth Quarter 2016 Results

MAXCOM REPORTS RESULTS FOR THE FOURTH QUARTER OF 2016

Mexico City, February 1st, 2017. – 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 fourth quarter ended on December 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	4Q16	3Q16	% var
Total Revenues	712	712	-
EBITDA	72	97	(26%)
EBITDA margin (%)	10%	14%	
Net income (loss)	(1,358)	(461)	(195%)
Net margin (%)	(191%)	(65%)	
Cash and financial instruments [1]	862	686	26%
CAPEX	107	(245)	(144%)
Debt [2]	2,708	2,609	4%
Net debt / LTM EBITDA (X)	5.3	5.1	4%
Customers	112,406	118,798	(5%)
RGUs [3]	367,288	380,832	(4%)

[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

Maxcom continues the migration of customers to Megacable´s network, according with the transition plan in the cities of Puebla, Queretaro and Tehuacan, to ensure the continuity of telecommunications services to the customers. At the end of the quarter, Maxcom continues to serve its residential customers in San Luis Potosi, Mexico Metropolitan Area, while implementing cost efficiencies thus improving margins (in the remaining clusters).

Maxcom has started to execute a "wind-down" process with the residential business unit, in order to be more efficient and cash flow positive. Nevertheless, we continue open to analyze any potential offers for strategic transactions.

Business Management: Operating Highlights

- Total Revenue Generating Units or RGUs, decreased 33% to reach 367,288 in 4Q16 compared to the same period of last year. The Company registered negative RGU net additions of 178,584 during the period. The total Company customer base decreased by 47% to reach 112,406 customers.

  The main factors that explain these movements are:

  - The sale of customers to Megacable
  - The cancelation of low-margin accounts from the residential segment
  - The significant decrease in gross additions in the residential segment

- When compared to the same period of last year, voice RGUs decreased 23% reaching 238,363. Voice RGUs include residential voice, commercial voice and wholesale lines.
- Data residential RGUs decreased 43% to reach 92,607 compared to 162,457 in 4Q15, while data RGUs in the commercial segment increased 14% to 3,361.
- Total mobile RGUs reached 2,494 units which is 76% lower than the number registered in 4Q15.
- Pay TV RGUs reached 30,195 units which represents a decrease of 48% with respect to the figure recorded in 4Q15.
- The RGUs per residential customer rate increased to 2.0, slightly above at the reported in 4Q15.
- The RGUs per commercial customer rate went from 47.7 in 4Q15 to 59.9 at the end of 4Q16.

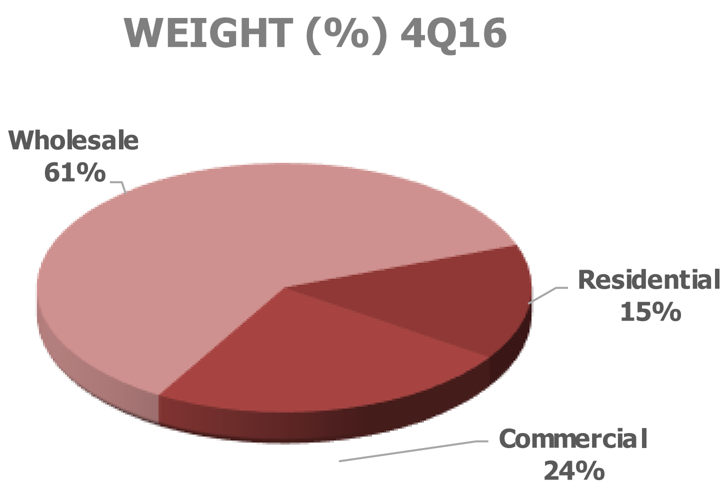
4Q16	Item	4Q15
110,275	**Residential Customers**	**211,343**
93,304	Voice	173,789
92,435	Data	161,192
2,087	Mobile	10,357
30,325	TV	58,194
220,568	**Residential RGUs**	**408,884**
95,296	Voice	177,601
92,607	Data	162,457
2,470	Mobile	10,559
30,195	TV	58,267
2.0	RGUs per Residential Customer	1.9
2,131	**Commercial Customers**	**2,462**
1,826	Voice	2,152
1,093	Data	1,223
7	Mobile	8
160	Other	164
127,648	**Commercial RGUs**	**117,382**
123,995	Voice	114,153
3,361	Data	2,938
24	Mobile	30
268	Other	261
59.9	RGUs per Commercial Customer	47.7
-	**Public Telephony RGUs**	**-**
19,072	**Wholesale RGUs**	**19,606**
367,288	**Total RGUs**	**545,872**
238,363	**Voice RGUs (lines in service)**	**311,360**
112,406	**Total Number of Customers**	**213,805**

Business Management: Revenues and Expenses

Revenues

Revenues reported in 4Q16 amounted to Ps.712 million, it presents an increase of 26% against 4Q15. Total revenues for the twelve months ended on December 31, 2016 reached Ps.2,552 million, which represents an increase of 8% with respect to revenues of Ps.2,369 million recorded in the same period of 2015. Higher revenues in wholesale segment during the quarter explains this increase.

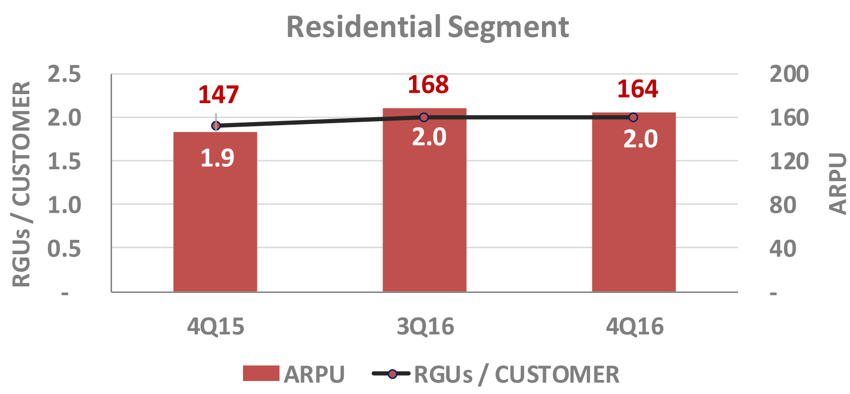
		4Q16		3Q16	QoQ ∆%		4Q15	YoY ∆%
Residential	Ps.	110	Ps.	171	(36%)	Ps.	188	(42%)
Commercial		170		173	(2%)		156	8%
Public Telephony		-		-	(100%)		6	(100%)
Wholesale		432		368	17%		217	99%
Total	Ps.	712	Ps.	712	-	Ps.	567	26%



		12M16	%		12M15	%
Residential	Ps.	650	25%	Ps.	773	33%
Commercial		671	26%		592	25%
Public Telephony		-	-		61	3%
Wholesale		1,231	48%		943	40%
Total	Ps.	2,552	100%	Ps.	2,369	100%

Residential

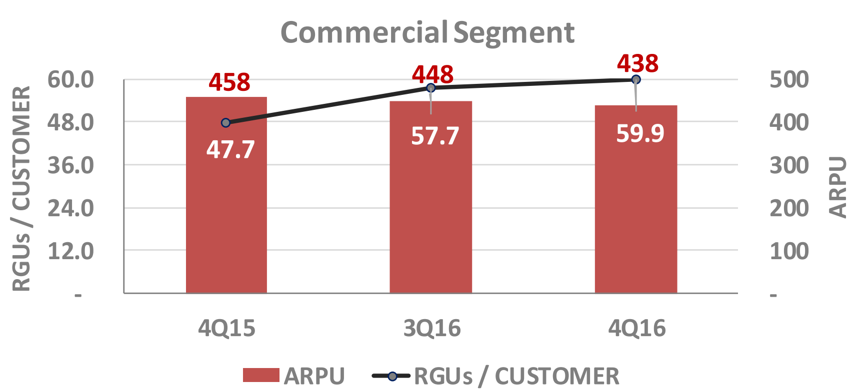
This segment represents 15% of total revenues generated during the 4Q16, a lower figure than the percentage reported in the 4Q15 and below the 3Q16. When compared to 4Q15, revenues in this business unit had a decrease of 42% or Ps.78 million. For the twelve months ended December 31, 2016, revenues from the residential business totaled Ps.650 million, a decrease of 16% compared to Ps.773 million in 2015. This decrease in revenues is the result of the reduction in the customer base experienced during the year mainly explained by the sale of customers to Megacable at the end of 3Q16. Sequentially, revenues for this business unit decreased Ps.61 million.



The average revenue per unit ("ARPU") for the residential business was Ps.164 in the 4Q16, 12% higher than the ARPUs of Ps.147 reported in the 4Q15 and 2% below of Ps.168 posted in 3Q16. The rate of RGUs per residential customer during this quarter was 2.0, almost the same figure than the previous quarters.

Commercial

Revenues of the commercial segment accounted for 24% of total revenues during 4Q16, which is lower than reported figure of 4Q15 and equal to the figure recorded in 3Q16. Revenues reached Ps.170 million, an increase of 8% when compared to Ps.156 million registered during 4Q15. For the twelve months ended December 31, 2016, revenues from the commercial business was Ps.671 million, representing an increase of 13% in comparison with Ps.592 million registered in the same period of 2015. A positive trend is maintained in the performance of this business unit as a result of new services provided to existing and new customers. In a sequential basis, revenues presented a slightly decrease of 2% versus Ps.173 million registered in 3Q16.



Commercial business ARPU during 4Q16 was Ps.438, 4% below of Ps.458 recorded in 4Q15 and 2% lower against the figure recorded in 3Q16. The rate of RGUs per commercial customer increased 26% to 59.9 RGUs per customer above 47.7 RGUs achieved in 4Q15.

Wholesale

In 4Q16, the wholesale business unit posted revenues of Ps.432 million, an increase of 99% compared to the same period of 2015. For the twelve months ended December 31, 2016, revenues from the wholesale business recorded Ps.1,231 million, a growth of 31% in comparison with revenue of Ps.943 million registered in 2015. The growth in this business unit was due to the increase of international traffic carried through our network. Sequentially, revenues grew 17%.

Network Operation Cost

Network operation costs in 4Q16 increased 67% to reach Ps.523 million, compared to the Ps.313 million reported in 4Q15. This variation is mainly due by the increase in traffic termination of the wholesale business. The gross margin decreased from 45% in the 4Q15 to 27% in the 4Q16 as a result of the change in the revenue mix of the quarter, where wholesale revenues, with lower margins than the residential and commercial business operations, represent 61% of total revenues of the company.

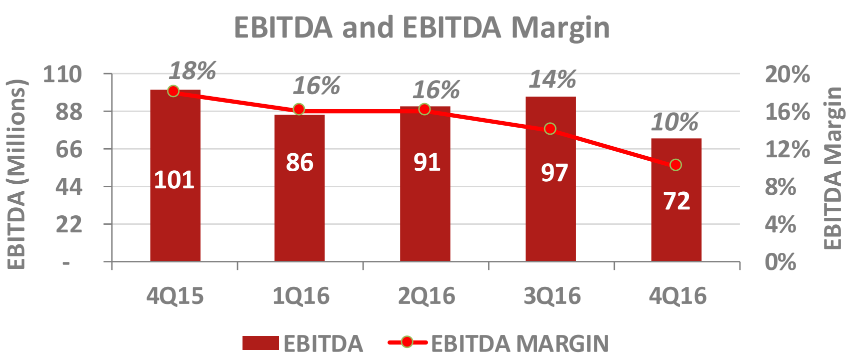
For the twelve-month period, costs showed an increase of Ps.369 million going from Ps.1,275 million in 2015 to Ps.1,643 in 2016. Gross margin went from 46% to 36% in the same twelve-month period.

SG&A

During the 4Q16 the Company reported total SG&A expenses of Ps.117 million, 23% lower than the Ps.152 million in 4Q15. Almost half of this reduction is due to less payroll expenses. For the twelve-month ended December 31, 2016, the expenses decreased 22% to Ps.564 million compared to the Ps.719 incurred in the same period of 2015.

EBITDA

EDITDA for the 4Q16 was Ps.72 million, Ps.29 million below than the Ps.101 million registered in the same period last year. EBITDA margin was 10% in the 4Q16, below 18% reported in the 4Q15. For the twelve-month ended December 31, 2016 EBITDA was Ps.345 million, minor figure than Ps.375 posted in 2015. EBITDA margin during the twelve months of 2016 reached 14% a lower number than the reported in 2015. On a sequential basis, EBITDA was Ps.25 million, or 26% minor than the amount reported in the 3Q16.



Operating Income (Loss)

The Company registered an operating loss for 4Q16 of Ps.1,198 million, an increase in comparison to an operating loss of Ps.63 million reported in the same period of 2015. Cumulatively, the financial statements registered an operating loss of Ps.1,561 million compared to an operating loss of Ps.199 million reported in 2015, an unfavorable change of Ps.1,362 million.

The main records made in 4Q16 were:

a) Impairment of fixed assets. The company estimated the future value generation capacity of its fixed assets dedicated to serve its residential customer taking into consideration the "wind-down" plan to disinvest in this business unit; as a result of those estimations, the Company decided to book a reserve of Ps.991 million as impairment of these long-lived fix assets. It is worth to mention that this is a non-cash charge.
b) Inventories reserve for $26 million pesos. In line with the anticipated effects of the "wind-down" plan for the residential business, the company reserve all the inventories, mainly CPE, related with this operation.
c) Write off of certain fix assets for $94 million pesos. The most important one is an intangible asset related with the SAP platform for $35 million pesos of net value. Other software platforms are also cancelled and represent the remaining amount. These records do not represent cash outflows.
d) Restructuring. At the end of 4Q16 the company registered Ps.60 million of expenses in connection with the "wind-down" plan to be implemented during 2017. These expenses are mostly severance payments provisions.

e) Contingencies provisions for $27 million pesos.

Comprehensive Financial Result

During the 4Q16, the Company registered a net financing cost of Ps.160 million, an increase of Ps.164 million when compared to the gain of Ps. 4 million recorded in the same period of 2015. This result is mainly explained by the valuation effect in this quarter and higher exchange loss recorded in 4Q16.

	4Q16	4Q15	ΔPs.	Δ%
Interest Expense	44	19	25	122%
Interest (Income)	(6)	-	(6)	(1,173%)
Valuation Effects – Net	9	(40)	49	124%
Exchange Rate (Gain) Loss – Net	113	17	96	573%
Total	160	(4)	164	4,500%

For the twelve months ended December 31, 2016, the net financing cost reached Ps.552 million, higher than the Ps.349 million recorded in 2015.

Taxes

In the 4Q16 the Company non recorded taxes.

Net Income (Loss)

During 4Q16 the Company posted a net loss of Ps.1,358 million, compared to a net loss of Ps.95 million recorded in the same period of 2015 and of Ps.461 million posted in 3Q16. For the twelve months ended December 31, 2016, the Company registered an accumulated net loss of Ps.2,113 million compared to the net loss of Ps.584 million recorded in the same period of 2015. It is worth to mention that net loss of the period derives mainly from the impairment charge which is non-cash items, as well as exchange rate loss.

Liquidity and Capital Resources

Millions of Pesos	Fourth Quarter of 2016	Fourth Quarter of 2015
Operating Activities	278	641
CAPEX	(107)	(268)
Financing Activities	5	(80)
Increase (Decrease) in Cash and Financial Instruments	176	293
Cash and Financial Instruments at Beginning of Period	672	502
Cash and Financial Instruments at End of Period	848	795

Millions of Pesos	Twelve Months Ended December 31, 2016	Twelve Months Ended December 31, 2015
Operating Activities	332	373
CAPEX	(120)	(834)
Financing Activities	(159)	(187)
Increase (Decrease) in Cash and Financial Instruments	53	(648)
Cash and Financial Instruments at Beginning of Period	795	1,443
Cash and Financial Instruments at End of Period	848	795

Capital Expenditures

Capital expenditures during the period totaled Ps.107 million, a decrease of Ps.161 million compared to the amount invested in 4Q15. Capital expenditures were primarily used to develop last mile connectivity for commercial customers and increase capacity in the network.

It is worth to mention that the above table was obtained from the changes in the financial position. In this line, for the twelve months ended December 31, 2016 the gross capital expenditures totaled Ps.484 million, a decrease of 42% compared to the Ps.834 million recorded in the same period of 2015. The gross capital expenditure was determined by the normalization of the effect of the write-off of fix assets of the residential network recorded on the previous quarter which was of Ps.354 million.

Indebtedness

At December 31, 2016 the Company reported indebtedness of Ps.2,708 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 7.84 times and the Net Debt to EBITDA ratio was 5.34 times (last twelve months EBITDA is used in this calculations).

Maxcom Financial Liabilities at December 31, 2016

	Face Value				
Figures in Millions	Pesos	Dollars	Total Pesos[1]	Due date	Rate
Step-Up Senior Notes 2020	-	125.5	2,587.7	June, 2020	6%, 7% y 8%
Bancomext	112.5	-	112.5	September, 2020	9.86%
Total financial debt	112.5	125.5	2,700.2		

[1] Considers the FIX exchange rate at December 31, 2016: Ps$20.6194 per dollar

Comparative leverage ratios:

	4Q16	3Q16	2Q16
Net Debt/LTM EBITDA	5.34	5.13	4.91

As of December 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

As already mentioned in the section Relevant Events of our previous report, Maxcom did a "reverse split" of its shares, giving one new share per 42 outstanding shares at the date of the event.

Capital Structure

	4Q16	4Q15
Subscribed and paid shares	115,010,530	3,191,867,255
CPOs outstanding[1,2]	N/A	1,041,985,693

[1] One CPO is equivalent to three shares

[2] Not all shares are in the form of CPOs

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.

For more information contact:
Rodrigo Wright
México, D.F., México
(52 55) 4770-1170
rodrigo.wright@maxcom.com

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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 December 31, 2016		As of December 31, 2015		Var $	Var %
ASSETS:							
CURRENT ASSETS:							
Cash and financial instruments	Ps.	847,547	Ps.	795,298	Ps.	52,249	7%
		847,547		795,298		52,249	7%
Accounts receivable:							
Customers, net of allowance		295,900		388,864		(92,964)	(24%)
Recoverable value added tax		44,604		295,659		(251,055)	(85%)
Other sundry debtors		38,240		43,427		(5,187)	(12%)
		378,744		727,950		(349,206)	(48%)
Inventory		1,514		29,177		(27,663)	(95%)
Prepaid expenses		27,006		18,744		8,262	44%
Total current assets		1,254,811		1,571,169		(316,358)	(20%)
Frequency rights, net		-		911		(911)	(100%)
Telephone network systems and equipment, net		2,352,448		3,765,968		(1,413,520)	(38%)
Intangible assets, net		227,964		221,942		6,022	3%
Long-term restricted cash		14,569		15,383		(814)	(5%)
Financial instruments		25,480		-		25,480	N/A
Deposits in guarantee		8,790		8,624		166	2%
Deferred taxes		6,591		6,591		-	-
Other assets		2,151		2,151		-	-
Total assets	**Ps.**	**3,892,804**	**Ps.**	**5,592,739**	**Ps.**	**(1,699,935)**	**(30%)**
LIABILITIES							
CURRENT LIABILITIES:							
Bank loans	Ps.	30,000	Ps.	30,000	Ps.	-	-
Interest payable		7,954		6,315		1,639	26%
Accounts payable and accrued expenses		419,629		375,678		43,951	12%
Customer deposits		2,484		3,011		(527)	(18%)
Derivative financial instruments		-		330		(330)	(100%)
Other taxes payable		33,670		69,241		(35,571)	(51%)
Total current liabilities		493,737		484,575		9,162	2%
LONG-TERM LIABILITIES:							
Step-up senior notes		2,373,224		2,100,311		272,913	13%
Bank loans		82,500		112,500		(30,000)	(27%)
Deferred income		46,976		71,399		(24,423)	(34%)
Labor obligations		4,850		3,597		1,253	35%
Other long-term liabilities		90,965		20,699		70,266	339%
Long-term liabilities		2,598,515		2,308,506		290,009	13%
Total liabilities	**Ps.**	**3,092,252**	**Ps.**	**2,793,081**	**Ps.**	**299,171**	**11%**
SHAREHOLDERS' EQUITY							
Capital stock	Ps.	7,628,698	Ps.	7,528,698	Ps.	100,000	1%
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		(2,113,348)		(584,269)		(1,529,079)	(262%)
Other comprehensive income		46,684		32,442		14,242	44%
Total shareholders' equity	**Ps.**	**800,552**	**Ps.**	**2,799,658**	**Ps.**	**(1,999,106)**	**(71%)**
Total liabitilies and shareholders' equity	**Ps.**	**3,892,804**	**Ps.**	**5,592,739**	**Ps.**	**(1,699,935)**	**(30%)**

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 December 31,				vs 3M 2015		12 months ended December 31,				vs 12M 2015	
	2016	%	2015	%	$ var	% var	2016	%	2015	%	$ var	% var
TOTAL REVENUES	**Ps. 712,317**	100%	**Ps. 565,975**	100%	**Ps. 146,342**	**26%**	**Ps. 2,552,290**	100%	**Ps. 2,368,933**	100%	**Ps. 183,357**	**8%**
Network operating services	463,365	65%	264,272	47%	199,093	75%	1,436,274	56%	1,097,372	46%	338,902	31%
Technical expenses	52,369	7%	47,976	8%	4,393	9%	194,259	8%	175,351	7%	18,908	11%
Installation expenses	7,292	1%	322	0%	6,970	2,165%	12,624	0%	1,901	0%	10,723	564%
Network operation cost	**523,026**	**73%**	**312,570**	**55%**	**210,456**	**67%**	**1,643,157**	**64%**	**1,274,624**	**54%**	**368,533**	**29%**
GROSS PROFIT	**189,291**	**27%**	**253,405**	**45%**	**(64,114)**	**(25%)**	**909,133**	**36%**	**1,094,309**	**46%**	**(185,176)**	**(17%)**
Selling, general and administrative expenses	117,410	16%	152,252	27%	(34,842)	(23%)	563,645	22%	718,981	30%	(155,336)	(22%)
EBITDA	**71,881**	**10%**	**101,153**	**18%**	**(29,272)**	**(29%)**	**345,488**	**14%**	**375,328**	**16%**	**(29,840)**	**(8%)**
Depreciation and amortization	82,673		103,263		(20,590)	(20%)	366,460		398,041		(31,581)	(8%)
Other (income) expense	195,765		60,875		134,890	222%	549,405		176,552		372,853	211%
Impairment	991,000		-		991,000	N/A	991,000		-		991,000	N/A
Operating income (loss)	**(1,197,557)**		**(62,985)**		**(1,134,572)**	**(1,801%)**	**(1,561,377)**		**(199,265)**		**(1,362,112)**	**(684%)**
Comprehensive (income) cost of financing:												
Interest expense	44,184		19,864		24,320	122%	168,398		130,917		37,481	29%
Interest (income) loss, net	(6,453)		(507)		(5,946)	(1,173%)	(23,302)		(7,849)		(15,453)	(197%)
Valuation effects, net	9,471		(39,798)		49,269	124%	(23,072)		(87,985)		64,913	74%
Exchange (income) loss, net	113,020		16,800		96,220	573%	429,947		314,257		115,690	37%
	160,222		**(3,641)**		**163,863**	**4,500%**	**551,971**		**349,340**		**202,631**	**58%**
INCOME (LOSS) BEFORE TAXES	**(1,357,779)**		**(59,344)**		**(1,298,435)**	**(2,188%)**	**(2,113,348)**		**(548,605)**		**(1,564,743)**	**(285%)**
Taxes:												
Income taxes	-		18,010		(18,010)	(100%)	-		18,010		(18,010)	(100%)
Deferred taxes	-		17,654		(17,654)	(100%)	-		17,654		(17,654)	(100%)
Total taxes	-		35,664		(35,664)	(100%)	-		35,664		(35,664)	(100%)
NET INCOME (LOSS)	**Ps.(1,357,779)**		**Ps. (95,008)**		**Ps.(1,262,771)**	**(1,329%)**	**Ps.(2,113,348)**		**Ps. (584,269)**		**Ps.(1,529,079)**	**(262%)**
Other comprehensive result	8,363		(6,457)		14,820	230%	14,242		(3,288)		17,530	533%
COMPREHENSIVE NET INCOME (LOSS)	**Ps.(1,349,416)**		**Ps. (101,465)**		**Ps.(1,247,951)**	**(1,230%)**	**Ps.(2,099,106)**		**Ps. (587,557)**		**Ps.(1,511,549)**	**(257%)**
Average basic shares	111,940		3,139,097				111,940		3,139,097			
Average diluted shares	111,940		3,139,097				111,940		3,139,097			
Earnings per basic share	(12.13)		(0.03)				(18.88)		(0.19)			
Earnings per diluted share	(12.13)		(0.03)				(18.88)		(0.19)			

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	445,794	-	-	-	445,794
Stock option plan	-	-	-	-	-
Comprehensive net loss	-	-	(584,269)	(3,288)	(587,557)
Balances as of December 31, 2015	**Ps. 7,528,698**	**Ps. 41,113**	**Ps. (4,802,595)**	**Ps. 32,442**	**Ps. 2,799,658**

	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	100,000	-	-	-	100,000
Stock option plan	-	-	-	-	-
Comprehensive net loss	-	-	(2,113,348)	14,242	(2,099,106)
Balances as of December 31, 2016	**Ps. 7,628,698**	**Ps. 41,113**	**Ps. (6,915,943)**	**Ps. 46,684**	**Ps. 800,552**

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 December 31,		vs 3M 2015		12 months ended December 31,		vs 12M 2015	
	2016	2015	$ var	% var	2016	2015	$ var	% var
Operating Activities:								
Income (loss) before taxes	Ps. (1,357,779)	Ps. (59,344)	Ps. (1,298,435)	(2,188%)	Ps. (2,113,348)	Ps. (548,605)	Ps. (1,564,743)	(285%)
Items not requiring the use of cash	1,253,664	735,129	518,535	71%	2,047,564	1,197,893	849,671	71%
Cash flow form income (loss) before taxes	(104,115)	675,785	(779,900)	(115%)	(65,784)	649,288	(715,072)	(110%)
Cash flow from:								
Accounts receivable	266,644	44,559	222,085	498%	66,793	100,663	(33,870)	(34%)
Inventory	23,108	10,592	12,516	118%	27,663	5,487	22,176	404%
Accounts payable	48,696	(71,489)	120,185	168%	43,951	(224,474)	268,425	120%
Other assets and liabilities	43,168	(17,554)	60,722	346%	258,978	(158,272)	417,250	264%
Cash flow from operating activities	381,616	(33,892)	415,508	1,226%	397,385	(276,596)	673,981	244%
Net cash flow from operating activities	**277,501**	**641,893**	**(364,392)**	**(57%)**	**331,601**	**372,692**	**(41,091)**	**(11%)**
Investing Activities:								
Telephone network systems and equipment, net	(106,685)	(268,306)	161,621	60%	(119,902)	(833,890)	713,988	86%
Net cash flow used in investing activities	**(106,685)**	**(268,306)**	**161,621**	**60%**	**(119,902)**	**(833,890)**	**713,988**	**86%**
Financing Activities:								
Bank loans	(7,500)	142,500	(150,000)	(105%)	(30,000)	142,500	(172,500)	(121%)
Senior notes	12,934	(582,020)	594,954	102%	(230,264)	(667,202)	436,938	65%
Vendor financing	-	-	-	-	-	45,893	(45,893)	(100%)
Capital stock	-	445,794	(445,794)	(100%)	100,000	445,794	(345,794)	(78%)
Other financing activities	(888)	(86,394)	85,506	99%	814	(153,612)	154,426	101%
Net cash flow from financing activities	**4,546**	**(80,120)**	**84,666**	**106%**	**(159,450)**	**(186,627)**	**27,177**	**15%**
Increase (decrease) in cash and financial instruments	**175,362**	**293,467**	**(118,105)**	**(40%)**	**52,249**	**(647,825)**	**700,074**	**108%**
Cash and financial instruments at beginning of period	672,185	501,831	170,354	34%	795,298	1,443,123	(647,825)	(45%)
Cash and financial instruments at end of period	**Ps. 847,547**	**Ps. 795,298**	**Ps. 52,249**	**7%**	**Ps. 847,547**	**Ps. 795,298**	**Ps. 52,249**	**7%**

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.