



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

Second Quarter 2016

**MAXCOM REPORTS RESULTS FOR THE SECOND QUARTER OF 2016**

**Mexico City, July 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 second quarter ended on June 30, 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	2Q16	1Q16	% var
Total Revenues	584	544	7%
EBITDA	91	86	6%
EBITDA margin (%)	15%	16%	
Net income (loss)	(197)	(98)	(101%)
Net margin (%)	(34%)	(18%)	
Cash and financial instruments <sup>1</sup>	678	650	4%
CAPEX	129	129	-
Debt <sup>2</sup>	2,457	2,525	(3%)
Net debt / LTM EBITDA (X)	4.9	5.4	(9%)
Customers	191,806	205,426	(7%)
RGUs <sup>3</sup>	517,439	536,772	(4%)

<sup>1</sup> Includes long-term restricted cash

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

<sup>3</sup> Revenue generating units

**Relevant Events**

During the 2Q16, pursuant to the resolution approved by the General Ordinary Shareholders' Meeting held on November 9, 2015 and in accordance with the faculties granted to the Chairman of the Board of Directors by the Assembly, he offered for subscription and payment 300'000,000 of shares (equivalent to 100'000,000 ordinary participation certificates "CPOs") at a price of \$1.00 per each CPO.

During the 2Q16 Maxcom repurchased USD\$10.2 million principal amount of Step-Up Senior Notes due in June of 2020 at an average price of USD\$52.41 per each USD\$100. The outstanding balance of the Step-Up Senior Notes 2020 as of June 30, 2016 amounted to USD\$125.8 million.

During 2016 we submitted various claims for value added tax refunds. As of June 30 a total of Ps.229 million have been refunded to Maxcom by the tax authorities.

### Business Management: Operating Highlights

- Total Revenue Generating Units or RGUs, decreased 14% to reach 517,439 in 2Q16 compared to the same period of last year. The Company registered negative RGU net additions of 81,438 during the period. The total Company customer base decreased by 17% to reach 191,806 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 11% reaching 301,437. Voice RGUs include residential voice, commercial voice, public telephone lines and wholesale lines.
- Data residential RGUs decreased 9% to reach 152,551 compared to 166,864 in 2Q15, while data RGUs in the commercial segment increased 38% to 3,467.
- Total mobile RGUs reached 6,349 units which is 79% lower than the number registered in 2Q15.
- Pay TV RGUs reached 53,371 units which represents a decrease of 13% with respect to the figure recorded in 2Q15.
- The RGUs per residential customer rate increase at 2.0, being slightly higher to the reported in 2Q15.
- The RGUs per commercial customer rate went from 41.9 in 2Q15 to 53.9 at the end of 2Q16.

2Q16	Item	2Q15
<b>189,486</b>	<b>Residential Customers</b>	<b>228,541</b>
157,277	Voice	182,687
151,439	Data	165,361
5,263	Mobile	21,711
53,320	TV	61,407
<b>372,748</b>	<b>Residential RGUs</b>	<b>445,171</b>
160,505	Voice	187,005
152,551	Data	166,864
6,321	Mobile	29,756
53,371	TV	61,546
2.0	RGUs per Residential Customer	1.9
<b>2,320</b>	<b>Commercial Customers</b>	<b>2,591</b>
1,971	Voice	2,278
1,181	Data	1,259
8	Mobile	9
163	Other	174
<b>125,085</b>	<b>Commercial RGUs</b>	<b>108,469</b>
121,326	Voice	105,632
3,467	Data	2,521
28	Mobile	45
264	Other	271
53.9	RGUs per Commercial Customer	41.9
-	<b>Public Telephony RGUs</b>	<b>26,685</b>
<b>19,606</b>	<b>Wholesale RGUs</b>	<b>18,552</b>
<b>517,439</b>	<b>Total RGUs</b>	<b>598,877</b>
<b>301,437</b>	<b>Voice RGUs (lines in service)</b>	<b>337,874</b>
<b>191,806</b>	<b>Total Number of Customers</b>	<b>231,132</b>

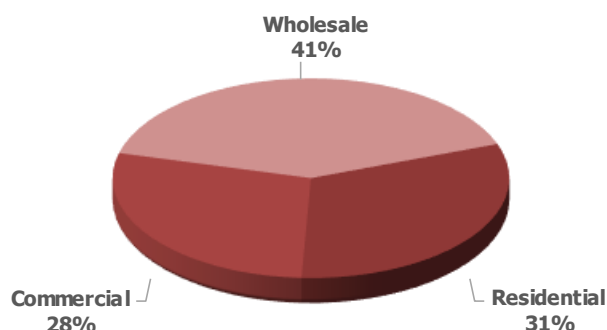
### Business Management: Revenues and Expenses

#### Revenues

Revenues reported in 2Q16 amounted to Ps.584 million, it presents a reduction of 3% against 2Q15. Total revenues for the six months ended on June 30, 2016 reached Ps.1,128 million, which represents a decrease of 8% with respect to revenues of Ps.1,224 million recorded in the same period of 2015. This resulted mainly due from lower revenues in the residential segment by diminish of customers, in wholesale segment by reduction of tariffs and the divestiture of the public telephony business. Sequentially, revenues registered an increase of 7%, with a recovery in the wholesale and commercial business units with growths of 21% and 2%, respectively.

		2Q16	1Q16	QoQ Δ%	2Q15	YoY Δ%
Residential	Ps.	183 Ps.	187	(2%) Ps.	193	(6%)
Commercial		166	163	2%	142	16%
Public Telephony		-	-	(100%)	18	(100%)
Wholesale		236	195	21%	246	(4%)
Total	Ps.	584 Ps.	544	7% Ps.	599	(3%)

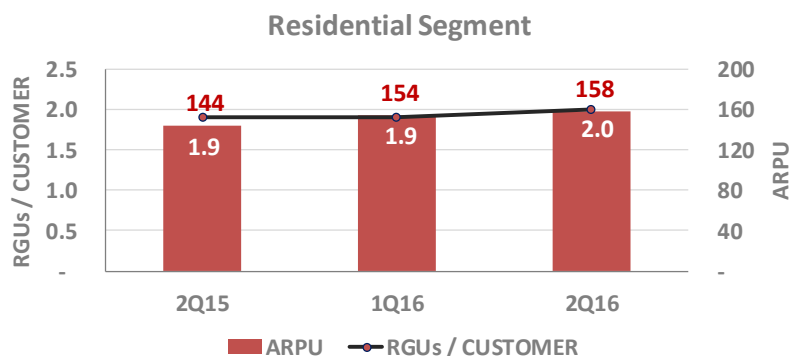
#### WEIGHT (%) 2Q16



		6M16	%	6M15	%
Residential	Ps.	368	33%	Ps. 397	32%
Commercial		329	29%	294	24%
Public Telephony		-	-	39	3%
Wholesale		431	38%	494	40%
Total	Ps.	1,128	100%	Ps. 1,224	100%

#### Residential

This segment represents 31% of total revenues generated during the 2Q16, in line with the percentage reported in the 2Q15 and slightly below with the 1Q16. Comparatively against 2Q15, revenues in this business unit had a decrease of 6% or Ps.11 million. For the six months ended June 30, 2016, revenues from the residential business totaled Ps.368 million, a decrease of 7% compared to Ps.397 million in 2015. This is mainly the result of the reduction in the customer base experienced during the year. Sequentially, revenues for this business unit had a slightly decrease of Ps.4 million being in Ps.183 million.



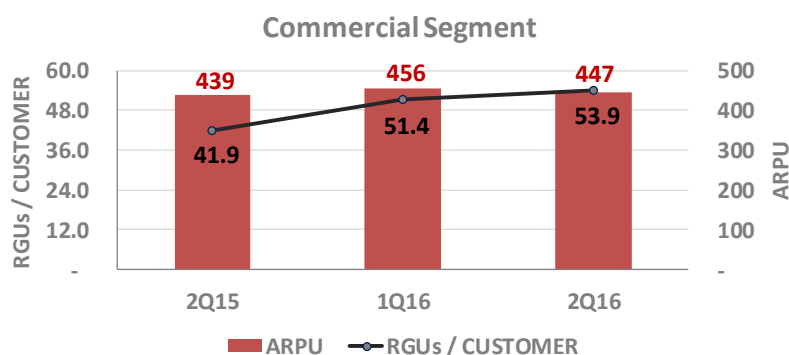
The average revenue per unit ("ARPU") for the residential business was Ps.158 in the 2Q16, 10% higher than the ARPUs of Ps.144 reported in the 2Q15 and 3% above of Ps.154 posted in 1Q16. The rate of RGUs per residential customer during this quarter was 2.0, being marginally higher to the recorded at 2Q15 and 1Q16.

The Company will continue to analyze this business unit, exploring different ways to be more efficient allowing us to have a more profitable operation with particular focus in cash flow generation. With the above, we do not discard the decision of strategic alliances or the possibility of looking the disinvestment of this business unit.

### Commercial

Revenues of the commercial segment accounted for 28% of total revenues during 2Q16, which compares favorably with 24% of 2Q15 and below of 30% recorded in 1Q16. Revenues reached Ps.166 million, an increase of 16% compared to Ps.142 million registered during 2Q15. For the six months ended June 30, 2016, revenues from the commercial business was Ps.329 million, representing an increase of 12% in comparison with Ps.294 million registered in the same period of 2015. In sequentially basis, revenues were 2% higher than the Ps.163 million registered in 1Q16. A positive trend is maintained in the performance of this business unit, as a result of services provided to new customers and low churn in the existing base of revenues.

It is worth to mention 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 2Q16 was Ps.447, 2% above the Ps.439 recorded in 2Q15 and lower at the recorded in 1Q16. The rate of RGUs per commercial customer increased 29% to 53.9 RGUs per customer against to 41.9 RGUs achieved in 2Q15. Sequentially this indicator grew 6%.

### Wholesale

In 2Q16, the wholesale business unit posted revenues of Ps.236 million, a decreased of 4% compared to the same period of 2015. For the six months ended June 30, 2016, revenues from the wholesale business recorded Ps.431 million, a decrease of 13% in comparison with revenue of Ps.494 million registered in the same period of 2015. The reduction in revenue from this business unit was the result of lower traffic through our network and a decrease in rates. Sequentially, revenues grew 21%, consequence of more international traffic.

### Network Operation Cost

Network operation costs in 2Q16 increased 4% to reach Ps.345 million, compared to the Ps.332 million reported in 2Q15. This variation is mainly due by the increase in traffic termination. The gross margin decreased from 45% in the 2Q15 to 41% in the 2Q16, resulting from lower margins in the wholesale business and the lower income levels shown by the residential business.

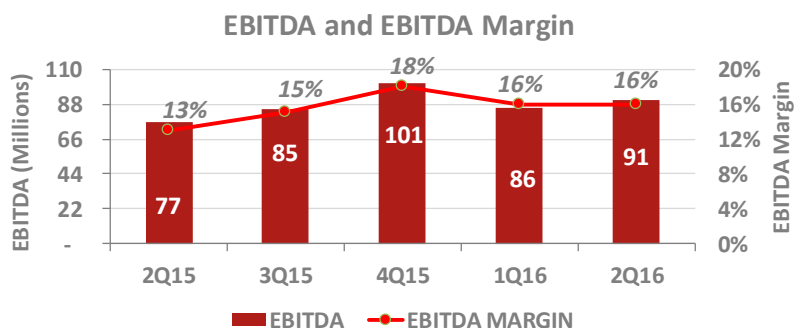
For the six-month period, costs presented a marginally increase of Ps.1 million going from Ps.648 million in 2015 to Ps.649 in 2016. Concerning to gross margin in this period, went from 47% in 2015 to 43% in 2016, mainly due to lower income levels shown by the residential business, his being one of the main margin generator.

### SG&A

During the 2Q16 the Company reported total SG&A expenses of Ps.149 million, 21% lower than the Ps.189 million in 2Q15. This reduction is mainly explained by the downsizing process that took place in September of 2015. For the six-month ended June 30, 2016, the expense was reduced 22% to compare Ps.303 million in 2016 against to Ps.387 in 2015.

### EBITDA

EBITDA for the 2Q16 was Ps.91 million, Ps.13 million higher than the Ps.77 million registered in the same period last year, consequently the EBITDA margin went from 13% in the 2Q15 to 16% in the 2Q16. For the six-month ended June 30, 2016 was reported an EBITDA of Ps.177 million, that is to say a decrease of 7% in comparison with Ps.190 million posted in 2015, while EBITDA margin in 2016 was 16% being higher than 15% in 2015. Sequentially basis, EBITDA was Ps.5 million, or 5% greater than the amount reported in the 1Q16 and EBITDA margin remained on 16%.



### Operating Income (Loss)

The Company registered an operating loss of Ps.25 million in 2Q16 against to an operating loss of Ps.47 million recorded during the same period of 2015. This is the result of diminish in SG&A, other expenses as well as in depreciation and amortization charges during the period. For the six-month ended June 30, 2016, the Company reported an operating loss of Ps.39 million against to an operating loss of Ps.64 million published in 2015.

### Comprehensive Financial Result

During the 2Q16, the Company registered a net financing cost of Ps.172 million, an increase of Ps.45 million when compared to the cost of Ps.127 million recorded in the same period of 2015. This result is mainly explained by the increase in the exchange rate loss, consequence of the peso depreciation against dollar, which was partially offsetted by positive valuation effect in this quarter, as a result of the repurchase of debt.

	2Q16	2Q15	ΔPs.	Δ%
Interest Expense	40	35	5	13%
Interest (Income)	(6)	(5)	(1)	(14%)
Valuation Effects – Net	(57)	41	(98)	(239%)
Exchange Rate (Gain) Loss – Net	195	56	139	249%
Total	172	127	45	36%

For the six months ended June 30, 2016, the net financing cost reached Ps.256 million, higher than the Ps.169 million recorded in 2015.

### Taxes

In the 2Q16 the Company recorded no taxes.

### Net Income (Loss)

During 2Q16 the Company posted a net loss of Ps.197 million, compared to a net loss of Ps.174 million recorded in the same period of 2015 and of Ps.98 million posted in 1Q16. For the six months ended June 30, 2016, the Company registered an accumulated net loss of Ps.295 million compared to the net loss of Ps.232 million recorded in the same period of 2015.

### Liquidity and Capital Resources

Millions of Pesos	Second Quarter of 2016	Second Quarter of 2015
Operating Activities	264	(180)
CAPEX	(129)	(186)
Financing Activities	(106)	24
Increase (Decrease) in Cash and Financial Instruments	29	(342)
Cash and Financial Instruments at Beginning of Period	636	1,217
Cash and Financial Instruments at End of Period	665	875

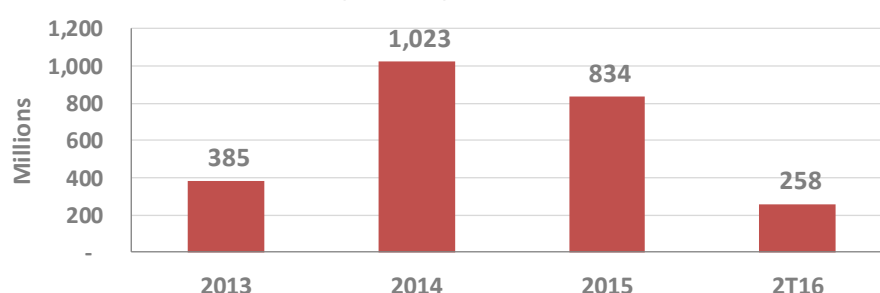
Millions of Pesos	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Operating Activities	268	(261)
CAPEX	(258)	(339)
Financing Activities	(140)	32
Increase (Decrease) in Cash and Financial Instruments	(130)	(568)
Cash and Financial Instruments at Beginning of Period	795	1,443
Cash and Financial Instruments at End of Period	665	875

### Capital Expenditures

Capital expenditures during the period totaled Ps.129 million, a decrease of Ps.57 million compared to the amount invested in 2Q15. Capital expenditures were primarily used to develop last mile connectivity for commercial customers and increase capacity in the network.

For the six months ended June 30, 2016 capital expenditures totaled Ps.258 million, a decrease of 24% compared to the Ps.339 million recorded in the same period of 2015.

### Capital Expenditures



### Indebtedness

At June 30, 2016 the Company reported indebtedness of Ps.2,457 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 6.78 times and the Net Debt to EBITDA ratio was 4.91 times (last twelve months EBITDA is used in this calculations).

#### Maxcom Financial Liabilities at June 30, 2016

Figures in Millions	Face Value			Due date	Rate
	Pesos	Dollars	Total Pesos <sup>1</sup>		
Step-Up Senior Notes 2020	-	125.8	2,321.9	June, 2020	6%, 7% y 8%
Bancomext	127.5	-	127.5	September, 2020	9.86%
Total financial debt	127.5	125.8	2,449.4		

<sup>1</sup> Considers the FIX exchange rate at June 30, 2016: Ps\$ 18.4646 per dollar

Comparative leverage ratios:

	2Q16	1Q16	4Q15
Net Debt/LTM EBITDA	4.91	5.37	4.59

As of June 30 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. During the 2Q16 the Chairman of the Board of Directors assigned 300'000,000 of shares (equivalent to 100'000,000 CPOs) at a price of \$1.00 per CPO

#### Capital Structure

	2Q16	2Q15
Subscribed and paid shares	4,829,248,541	3,191,867,255
CPOs outstanding <sup>1,2</sup>	1,578,752,954	1,041,985,693

<sup>1</sup> One CPO is equivalent to three shares

<sup>2</sup> Not all shares are in the form of CPOs

It is important to highlight that 462'618,714 shares (equivalent to 154'206,238 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.

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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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.")

	<b>As of June 30, 2016</b>	<b>As of December 31, 2015</b>	<b>Var \$</b>	<b>Var %</b>
<b><u>ASSETS:</u></b>				
CURRENT ASSETS:				
Cash and financial instruments	Ps. 665,158	Ps. 795,298	Ps. (130,140)	(16%)
	665,158	795,298	(130,140)	(16%)
Accounts receivable:				
Customers, net of allowance	414,869	388,864	26,005	7%
Recoverable value added tax	57,366	295,659	(238,293)	(81%)
Other sundry debtors	36,817	43,427	(6,610)	(15%)
	509,052	727,950	(218,898)	(30%)
Inventory	30,247	29,177	1,070	4%
Prepaid expenses	32,396	18,744	13,652	73%
Total current assets	1,236,853	1,571,169	(334,316)	(21%)
Frequency rights, net	-	911	(911)	(100%)
Telephone network systems and equipment, net	3,755,709	3,765,968	(10,259)	-
Intangible assets, net	288,601	221,942	66,659	30%
Long-term restricted cash	12,728	15,383	(2,655)	(17%)
Financial instruments	9,420	-	9,420	N/A
Deposits in guarantee	8,665	8,624	41	-
Deferred taxes	6,591	6,591	-	-
Other assets	2,151	2,151	-	-
<b>Total assets</b>	<b>Ps. 5,320,718</b>	<b>Ps. 5,592,739</b>	<b>Ps. (272,021)</b>	<b>(5%)</b>
<b><u>LIABILITIES</u></b>				
CURRENT LIABILITIES:				
Bank loans	Ps. 30,000	Ps. 30,000	Ps. -	-
Interest payable	7,294	6,315	979	16%
Accounts payable and accrued expenses	293,801	375,678	(81,877)	(22%)
Customer deposits	2,625	3,011	(386)	(13%)
Derivative financial instruments	-	330	(330)	-
Other taxes payable	43,031	69,241	(26,210)	(38%)
Total current liabilities	376,751	484,575	(107,824)	(25%)
LONG-TERM LIABILITIES:				
Step-up senior notes	2,152,098	2,100,311	51,787	2%
Bank loans	97,500	112,500	(15,000)	(13%)
Deferred income	59,188	71,399	(12,211)	(17%)
Labor obligations	4,223	3,597	626	17%
Other long-term liabilities	20,330	20,699	(369)	(2%)
Long-term liabilities	2,333,339	2,308,506	24,833	1%
<b>Total liabilities</b>	<b>Ps. 2,710,090</b>	<b>Ps. 2,793,081</b>	<b>Ps. (82,991)</b>	<b>(3%)</b>
<b><u>SHAREHOLDERS' EQUITY</u></b>				
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	(294,909)	(584,269)	289,360	50%
Other comprehensive income	38,321	32,442	5,879	18%
<b>Total shareholders' equity</b>	<b>Ps. 2,610,628</b>	<b>Ps. 2,799,658</b>	<b>Ps. (189,030)</b>	<b>(7%)</b>
<b>Total liabilities and shareholders' equity</b>	<b>Ps. 5,320,718</b>	<b>Ps. 5,592,739</b>	<b>Ps. (272,021)</b>	<b>(5%)</b>



## Second 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 June 30,				vs 3M 2015		6 months ended June 30,				vs 6M 2015	
	2016	%	2015	%	\$ var	% var	2016	%	2015	%	\$ var	% var
<b>TOTAL REVENUES</b>	<b>Ps. 584,286</b>	100%	<b>Ps. 598,777</b>	100%	<b>Ps. (14,491)</b>	<b>(2%)</b>	<b>Ps. 1,128,439</b>	100%	<b>Ps. 1,224,485</b>	100%	<b>Ps. (96,046)</b>	<b>(8%)</b>
Network operating services	297,420	51%	288,294	48%	9,126	3%	554,101	49%	560,568	46%	(6,467)	(1%)
Technical expenses	47,354	8%	43,076	7%	4,278	10%	94,059	8%	85,843	7%	8,216	10%
Installation expenses	209	0%	529	0%	(320)	(60%)	500	0%	1,148	0%	(648)	(56%)
<b>Network operation cost</b>	<b>344,983</b>	<b>59%</b>	<b>331,899</b>	<b>55%</b>	<b>13,084</b>	<b>4%</b>	<b>648,660</b>	<b>57%</b>	<b>647,559</b>	<b>53%</b>	<b>1,101</b>	<b>-</b>
<b>GROSS PROFIT</b>	<b>239,303</b>	<b>41%</b>	<b>266,878</b>	<b>45%</b>	<b>(27,575)</b>	<b>(10%)</b>	<b>479,779</b>	<b>43%</b>	<b>576,926</b>	<b>47%</b>	<b>(97,147)</b>	<b>(17%)</b>
Selling, general and administrative expenses	148,786	25%	189,490	32%	(40,704)	(21%)	303,227	27%	387,364	32%	(84,137)	(22%)
<b>EBITDA</b>	<b>90,517</b>	<b>15%</b>	<b>77,388</b>	<b>13%</b>	<b>13,129</b>	<b>17%</b>	<b>176,552</b>	<b>16%</b>	<b>189,562</b>	<b>15%</b>	<b>(13,010)</b>	<b>(7%)</b>
Depreciation and amortization	96,539		99,907		(3,368)	(3%)	187,625		207,145		(19,520)	(9%)
Other (income) expense	18,884		24,879		(5,995)	(24%)	28,159		46,048		(17,889)	(39%)
<b>Operating income (loss)</b>	<b>(24,906)</b>		<b>(47,398)</b>		<b>22,492</b>	<b>47%</b>	<b>(39,232)</b>		<b>(63,631)</b>		<b>24,399</b>	<b>38%</b>
<b>Comprehensive (income) cost of financing:</b>												
Interest expense	40,226		35,562		4,664	13%	81,329		76,323		5,006	7%
Interest (income) loss, net	(5,954)		(5,213)		(741)	(14%)	(11,318)		(5,712)		(5,606)	(98%)
Valuation effects, net	(56,695)		40,800		(97,495)	(239%)	(46,148)		(3,911)		(42,237)	(1,080%)
Exchange (income) loss, net	194,606		55,748		138,858	249%	231,814		101,925		129,889	127%
	<b>172,183</b>		<b>126,897</b>		<b>45,286</b>	<b>36%</b>	<b>255,677</b>		<b>168,625</b>		<b>87,052</b>	<b>52%</b>
<b>INCOME (LOSS) BEFORE TAXES</b>	<b>(197,089)</b>		<b>(174,295)</b>		<b>(22,794)</b>	<b>(13%)</b>	<b>(294,909)</b>		<b>(232,256)</b>		<b>(62,653)</b>	<b>(27%)</b>
Taxes:												
Income taxes	-		-		-	-	-		-		-	-
Deferred taxes	-		-		-	-	-		-		-	-
<b>Total taxes</b>	<b>-</b>		<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>		<b>-</b>	<b>-</b>
<b>NET INCOME (LOSS)</b>	<b>Ps. (197,089)</b>		<b>Ps. (174,295)</b>		<b>Ps. (22,794)</b>	<b>(13%)</b>	<b>Ps. (294,909)</b>		<b>Ps. (232,256)</b>		<b>Ps. (62,653)</b>	<b>(27%)</b>
Other comprehensive result	6,483		(2,994)		9,477	317%	5,879		7,656		(1,777)	(23%)
<b>COMPREHENSIVE NET INCOME (LOSS)</b>	<b>Ps. (190,606)</b>		<b>Ps. (177,289)</b>		<b>Ps. (13,317)</b>	<b>(8%)</b>	<b>Ps. (289,030)</b>		<b>Ps. (224,600)</b>		<b>Ps. (64,430)</b>	<b>(29%)</b>
Average basic shares	4,701,479		3,139,097				4,701,479		3,139,097			
Average diluted shares	4,701,479		3,139,097				4,701,479		3,139,097			
Earnings per basic share	(0.04)		(0.06)				(0.06)		(0.07)			
Earnings per diluted share	(0.04)		(0.06)				(0.06)		(0.07)			

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

	<b>Capital stock</b>	<b>Additional paid-in capital</b>	<b>Accumulated losses</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
Increase in capital stock	-	-	-	-	-
Stock option plan	-	-	-	-	-
Comprehensive net loss	-	-	(232,256)	7,656	(224,600)
<b>Balances as of June 30, 2015</b>	<b>Ps. 7,082,904</b>	<b>Ps. 41,113</b>	<b>Ps. (4,450,582)</b>	<b>Ps. 43,386</b>	<b>Ps. 2,716,821</b>
	<b>Capital stock</b>	<b>Additional paid-in capital</b>	<b>Accumulated losses</b>	<b>Other comprehensive income</b>	<b>Total shareholders' equity</b>
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	-	-	(294,909)	5,879	(289,030)
<b>Balances as of June 30, 2016</b>	<b>Ps. 7,628,698</b>	<b>Ps. 41,113</b>	<b>Ps. (5,097,504)</b>	<b>Ps. 38,321</b>	<b>Ps. 2,610,628</b>



## Second 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.")

	<b>3 months ended June 30,</b>		<b>vs 3M 2015</b>		<b>6 months ended June 30,</b>		<b>vs 6M 2015</b>	
	<b>2016</b>	<b>2015</b>	<b>\$ var</b>	<b>% var</b>	<b>2016</b>	<b>2015</b>	<b>\$ var</b>	<b>% var</b>
<b>Operating Activities:</b>								
Income (loss) before taxes	Ps. (197,089)	Ps. (174,295)	Ps. (22,794)	(13%)	Ps. (294,909)	Ps. (232,256)	Ps. (62,653)	(27%)
Items not requiring the use of cash	301,115	81,394	219,721	270%	489,321	166,389	322,932	194%
Cash flow from income (loss) before taxes	104,026	(92,901)	196,927	212%	194,412	(65,867)	260,279	395%
Cash flow from:								
Accounts receivable	(41,384)	(8,755)	(32,629)	(373%)	(36,352)	38,992	(75,344)	(193%)
Inventory	3,039	(1,227)	4,266	348%	(1,070)	(1,753)	683	39%
Accounts payable	7,386	(47,600)	54,986	116%	(81,875)	(143,997)	62,122	43%
Other assets and liabilities	190,668	(28,457)	219,125	770%	192,700	(88,375)	281,075	318%
Cash flow from operating activities	159,709	(86,039)	245,748	286%	73,403	(195,133)	268,536	138%
<b>Net cash flow from operating activities</b>	<b>263,735</b>	<b>(178,940)</b>	<b>442,675</b>	<b>247%</b>	<b>267,815</b>	<b>(261,000)</b>	<b>528,815</b>	<b>203%</b>
<b>Investing Activities:</b>								
Telephone network systems and equipment, net	(128,572)	(185,974)	57,402	31%	(257,785)	(338,892)	81,107	24%
<b>Net cash flow used in investing activities</b>	<b>(128,572)</b>	<b>(185,974)</b>	<b>57,402</b>	<b>31%</b>	<b>(257,785)</b>	<b>(338,892)</b>	<b>81,107</b>	<b>24%</b>
<b>Financing Activities:</b>								
Bank loans	(7,500)	-	(7,500)	N/A	(15,000)	-	(15,000)	N/A
Senior notes	(199,950)	23,669	(223,619)	(945%)	(227,825)	(32,501)	(195,324)	N/A
Vendor financing	-	-	-	N/A	-	50,495	(50,495)	(100%)
Other financing activities	1,401	(104)	1,505	1,447%	2,655	14,211	(11,556)	(81%)
<b>Net cash flow from financing activities</b>	<b>(106,049)</b>	<b>23,565</b>	<b>(129,614)</b>	<b>(550%)</b>	<b>(140,170)</b>	<b>32,205</b>	<b>(172,375)</b>	<b>(535%)</b>
<b>Increase (decrease) in cash and financial instruments</b>	<b>29,114</b>	<b>(341,349)</b>	<b>370,463</b>	<b>109%</b>	<b>(130,140)</b>	<b>(567,687)</b>	<b>437,547</b>	<b>77%</b>
Cash and financial instruments at beginning of period	636,044	1,216,785	(580,741)	(48%)	795,298	1,443,123	(647,825)	(45%)
<b>Cash and financial instruments at end of period</b>	<b>Ps. 665,158</b>	<b>Ps. 875,436</b>	<b>Ps. (210,278)</b>	<b>(24%)</b>	<b>Ps. 665,158</b>	<b>Ps. 875,436</b>	<b>Ps. (210,278)</b>	<b>(24%)</b>

**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.