



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

Second Quarter 2017

MAXCOM REPORTS RESULTS FOR THE SECOND QUARTER OF 2017

Mexico City, July 20, 2017. – Maxcom Telecomunicaciones, S.A.B. de C.V. (OTCQX: MXMTY, BMV: MAXCOM A) ("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, 2017.

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	2Q17	1Q17	% var
Total Revenues	638	731	(13%)
EBITDA	72	83	(13%)
EBITDA margin (%)	11%	11%	
Net income (loss)	73	177	(59%)
Net margin (%)	11%	24%	
Cash and financial instruments ¹	563	675	(17%)
CAPEX	66	58	14%
Debt ²	2,133	2,514	(15%)
Net debt / LTM EBITDA (X)	4.8	5.3	(9%)
Customers	97,850	104,742	(7%)
RGUs ³	337,799	352,860	(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

Pursuant to the "Partial Cash Tender Offer" launched on April 25, 2017, the Company purchased USD\$13.1 million principal amount of its Step-Up Senior Notes 2020 at an average price of USD\$60 for each USD\$100. The outstanding balance of Step-Up Senior Notes 2020 as of June 30, 2017 amounts to USD\$112.4 million.

In order to develop the Mobile Virtual Network Aggregator and Operator project or MVNA/MVNO through Celmax Móvil, S.A. de C.V. ("Celmax"), subsidiary of Maxcom, on June 30, 2017 concluded the increase in the variable portion of the capital stock of Celmax, in accordance with the resolution approved by the General Ordinary Shareholders' Meeting of Celmax held on April 27, 2017. As a result of this transaction, Maxcom currently holds 51% of the capital stock of Celmax and the new investors who participated in the capital increase hold 49%.

Business Management: Operating Highlights

- Total Revenue Generating Units or RGUs, decreased 35% to reach 337,799 in 2Q17 compared to the same period of last year. The Company registered negative RGU net additions of 179,640 during the period. The total Company customer base decreased 49% to reach 97,850 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 Company's decision not to sell more products in the residential segment, in line with the "wind down" process
- When compared to the same period of last year, voice RGUs decreased 24% reaching 228,145. Voice RGUs include residential voice, commercial voice and wholesale lines.
- Data residential RGUs decreased 48% to reach 79,739 compared to 152,551 in 2Q16, while data RGUs in the commercial segment decreased 4% to 3,320.
- Total mobile RGUs reached 1,327 units which is 79% lower than the number registered in 2Q16.
- Pay TV RGUs reached 24,988 units which represents a decrease of 53% with respect to the figure recorded in 2Q16.
- The RGUs per residential customer rate remained flat at 2.0 year-over-year.
- The RGUs per commercial customer rate went from 53.9 in 2Q16 to 69.1 at the end of 2Q17.

2Q17	Item	2Q16
95,949	Residential Customers	189,486
79,180	Voice	157,277
79,001	Data	151,439
1,120	Mobile	5,263
23,664	TV	53,320
187,368	Residential RGUs	372,748
81,336	Voice	160,505
79,739	Data	152,551
1,305	Mobile	6,321
24,988	TV	53,371
2.0	RGUs per Residential Customer	2.0
1,901	Commercial Customers	2,320
1,237	Voice	1,971
954	Data	1,181
6	Mobile	8
133	Other	163

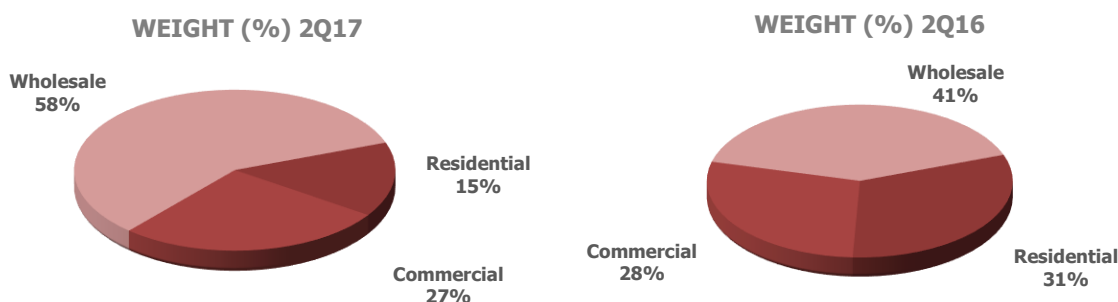
2Q17	Item	2Q16
131,359	Commercial RGUs	125,085
127,737	Voice	121,326
3,320	Data	3,467
22	Mobile	28
280	Other	264
69.1	RGUs per Commercial Customer	53.9
-	Public Telephony RGUs	-
19,072	Wholesale RGUs	19,606
337,799	Total RGUs	517,439
228,145	Voice RGUs (lines in service)	301,437
97,850	Total Number of Customers	191,806

Business Management: Revenues and Expenses

Revenues

Revenues reported in 2Q17 amounted to Ps.638 million, an increase of 9% compared to 2Q16. Total revenues for the six months ended on June 30, 2017 reached Ps.1,370 million, which represents an increase of 21% with respect to revenues of Ps.1,128 million recorded in the same period of 2016. This resulted mainly from higher revenues in the wholesale segment which more than offset the revenue decrease in the residential business unit. Sequentially, revenues registered a decrease of 13%, due to lower revenues in the residential and wholesale business units.

		2Q17	1Q17	QoQ Δ%	2Q16	YoY Δ%
Residential	Ps.	94	104	(10%)	182	(48%)
Commercial		173	170	2%	166	4%
Wholesale		371	457	(19%)	236	57%
Total	Ps.	638	731	(13%)	584	9%

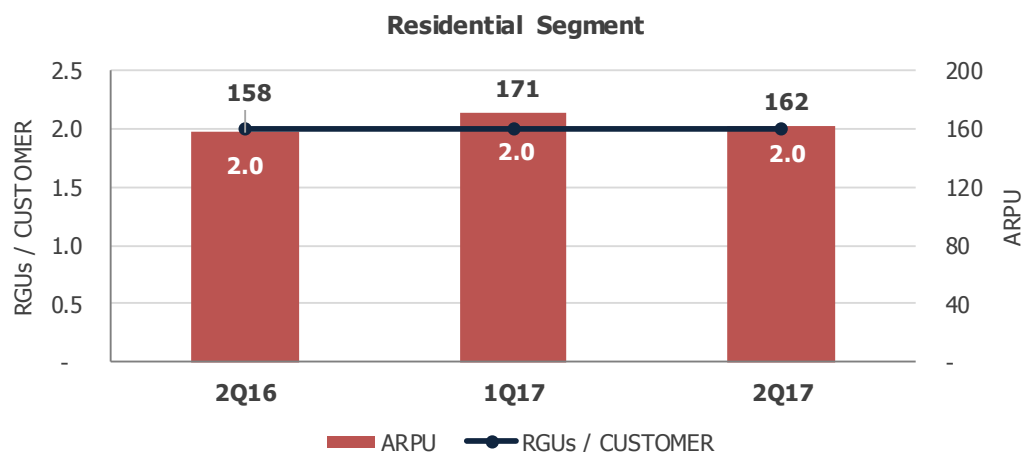


		6M17	%	6M16	%
Residential	Ps.	199	15%	369	33%
Commercial		343	25%	328	29%
Wholesale		828	60%	431	38%
Total	Ps.	1,370	100%	1,128	100%

Residential

This segment represents 15% of total revenues generated during 2Q17, a lower figure than the percentage reported in 2Q16 and slightly above 1Q17. When compared to 2Q16, revenues in this business unit had a decrease of 48% or Ps.88 million. For the six months ended June 30, 2017, revenues from the residential business totaled Ps.199 million, a decrease of 46% compared to Ps.369 million in 2016. 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 and the strategically managed "wind-down" process of the residential business unit that started in late 2016. Sequentially, revenues from this business unit decreased Ps.10 million.

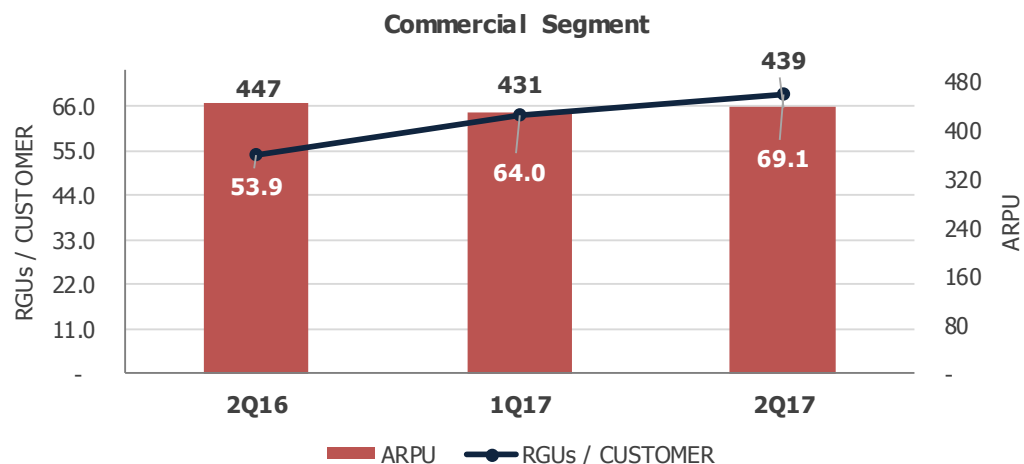
It is worth mentioning that both the migration of customers to the Megacable network and the process of disincorporation of the residential business go according to plan. Both initiatives will allow the Company to focus on the lines of business that generate greater value.



The average revenue per unit ("ARPU") for the residential business was Ps.162 in 2Q17, 3% higher than the ARPU of Ps.158 reported in 2Q16 and 6% below the Ps.171 posted in 1Q17. The rate of RGUs per residential customer during this quarter was 2.0, remaining flat versus 2Q16 and 1Q17.

Commercial

Revenues of the commercial segment accounted for 27% of total revenues during 2Q17, which is lower than the figure reported in 2Q16 and higher than the figure recorded in 1Q17. Revenues reached Ps.173 million, an increase of 4% when compared to Ps.166 million registered during 2Q16. For the six months ended June 30, 2017, revenues from the commercial business amounted to Ps.343 million, representing an increase of 5% in comparison with Ps.328 million registered in the same period of 2016. A positive trend is maintained in the performance of this business unit as a result of services provided to new customers and additional services provided to existing customers. In a sequential basis, revenues increased Ps.3 million.



Commercial business ARPU during 2Q17 was Ps.439, 2% below the Ps.447 recorded in 2Q16 and 2% higher compared to the figure recorded in 1Q17. The rate of RGUs per commercial customer increased 28% to 69.1 RGUs per customer against 53.9 RGUs in 2Q16.

Wholesale

In 2Q17, the wholesale business unit posted revenues of Ps.371 million, an increase of 57% compared to the same period of 2016. For the six months ended June 30, 2017, revenues from the wholesale business recorded Ps.828 million, an increase of 92% in comparison with the revenue of Ps.431 million registered in the same period of 2016. The growth in this business unit was due to the increase of international traffic carried through our network. Sequentially, revenues decreased 19% due to lower operating volumes during April and June. The average monthly income at 2Q17 from this business unit was Ps.138 million.

Network Operation Cost

Network operation costs in 2Q17 increased 30% to reach Ps.450 million, compared to the Ps.345 million reported in 2Q16. For the six-month period, costs had an increase of 52%, from Ps.649 million to Ps.985 million. These variations are mainly due to the increase in traffic termination of the wholesale business. The gross margin decreased from 41% in 2Q16 to 30% in 2Q17 and from 43% in the six-month period ended on June 30 2016 to 28% in the same period of 2017. This was mainly the result of a change in the revenue mix, where wholesale revenues, which have lower margins compared to the residential and commercial business units, had a higher share of the Company's total revenues.

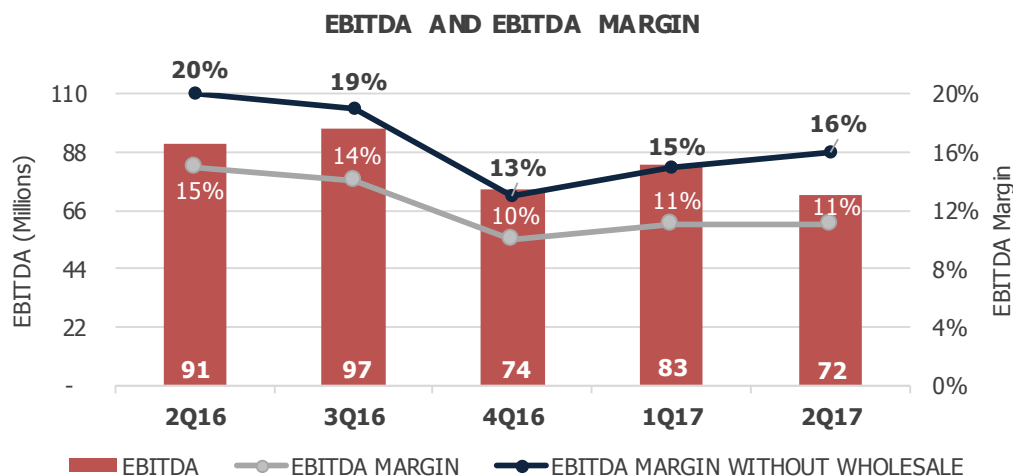
SG&A

In 2Q17 the Company reported total SG&A expenses of Ps.116 million, 22% lower than the Ps.149 million in 2Q16. Almost half of this reduction is due to less payroll expenses. At 2Q17 Maxcom had 526 employees, a decrease of 49% when compared to 1,036 employees at 2T16. For the six-month period ended on June 30, 2017 SG&A expenses decreased 24%, from Ps.303 million in 2016 a Ps.230 million in 2017.

EBITDA

EBITDA for 2Q17 was Ps.72 million, Ps.18 million below the Ps.91 million registered in the same period of 2016. EBITDA margin was 11% in 2Q17, lower than 15% reported in 2Q16. For the six-month period ended June 30 2017 an EBITDA of Ps.155 million was reported, a decrease of 12% compared to Ps.177 million posted in 2016, while the EBITDA margin was 11%, below the 16% recorded in 2016. On a sequential basis, EBITDA was Ps.11 million or 13% lower than the amount reported in the 1Q17.

If we exclude the effect of the wholesale operation, EBITDA for 2Q17 was Ps.42 million, lower than Ps.69 million registered in the same period last year. The EBITDA margin was 16% in 2Q17, below 20% reported in 2Q16. This reduction derives from the gradual disincorporation of the residential segment.



Operating Income (Loss)

In 2Q17 the Company registered an operating loss of Ps.24 million, slightly lower than the operating loss of Ps.25 million reported in the same period of 2016. For the six months ended June 30, 2017 the Company reported an operating income of Ps.7 million versus an operating loss of Ps.39 million in 2016. The variation is explained by the decrease in SG&A expenses, as well as by lower depreciation and amortization charges in the period, as a result of the impairment of assets related to the residential business unit recorded in 4Q16.

Comprehensive Financing Result

During 2Q17, the Company registered a net financing income of Ps.97 million, an increase of Ps.269 million when compared to the loss of Ps.172 million recorded in the same period of 2016. This is mainly explained by the appreciation of the Mexican peso, that generated a significant exchange rate gain in the quarter, as well as by the profit recorded in the repurchase of Step-Up Senior Notes 2020 carried out in May. These effects were partially offset by the accelerated amortization of issuance expenses associated with the portion of Step-Up Senior Notes 2020 repurchased for a total amount of the USD\$ 13.1 million, as well as by the increase in interest paid in 2Q17.

	2Q17	2Q16	ΔPs.	Δ%
Interest Expense	48	40	8	20%
Interest (Income)	(89)	(6)	(83)	(1,391%)
Valuation Effects – Net	30	(57)	87	154%
Exchange Rate (Gain) Loss – Net	(87)	195	(282)	(145%)
Total	(97)	172	(269)	(156%)

For the six months ended June 30, 2017, the net financing income reached Ps.243 million compared to the net loss of Ps.256 million recorded in the same period of last year.

Taxes

In the 2Q17 the Company recorded taxes of Ps.0.6 million, while at the end of the same period of 2016 the Company recorded no taxes.

Net Income (Loss)

During 2Q17 the Company posted a net income of Ps.73 million, compared to a net loss of Ps.197 million recorded in the same period of 2016 and a net income of Ps.177 million posted in 1Q17. It is worth mentioning that the net income of the period derives mainly from the exchange rate gain and the profit from the repurchase of Step-Up Senior Notes 2020. For the six months ended June 30, 2017, the Company recorded a net income of Ps.250 million compared to the net loss of Ps.295 million recorded in the same period of 2016.

Liquidity and Capital Resources

Millions of Pesos	Second Quarter of 2017	Second Quarter of 2016
Operating Activities	100	264
CAPEX	(66)	(129)
Financing Activities	(159)	(106)
Increase (Decrease) in Cash and Financial Instruments	(125)	29
Cash and Financial Instruments at Beginning of Period	659	636
Cash and Financial Instruments at End of Period	535	665

Millions of Pesos	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Operating Activities	(6)	268
CAPEX	(123)	(258)
Financing Activities	(184)	(140)
Increase (Decrease) in Cash and Financial Instruments	(313)	(130)
Cash and Financial Instruments at Beginning of Period	848	795
Cash and Financial Instruments at End of Period	535	665

Capital Expenditures

Capital expenditures during the period totaled Ps.66 million, a decrease of Ps.63 million compared to the amount invested in 2Q16. Capital expenditures were primarily used to develop last mile connectivity for commercial customers and increase network capacity.

For the six months ended June 30, 2017, capital expenditures totaled Ps.123 million, a decrease of 52% compared to Ps.258 million recorded in the same period of 2016.

Indebtedness

At June 30 2017, the Company reported indebtedness of Ps.2,133 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 6.53 times and the Net Debt to EBITDA ratio was 4.80 times (last twelve months EBITDA is used in these calculations).

Maxcom Financial Liabilities at June 30, 2017

Figures in Millions	Face Value			Due date	Rate
	Pesos	Dollars	Total Pesos ¹		
Step-Up Senior Notes 2020	-	112.4	2,029.6	June, 2020	7% and 8%
Bancomext	97.5	-	97.5	September, 2020	9.86%
Total financial debt	97.5	112.4	2,127.1		

¹ Considers the FIX exchange rate at June 30, 2017: Ps\$ 18.0626 per dollar

Comparative leverage ratios:

	2Q17	1Q17	4Q16
Net Debt/LTM EBITDA	4.80	5.33	5.30

As of June 30, Maxcom entered into cross-currency swaps to cover the interests of the Step-Up Senior Notes 2020 for a notional amount of USD\$140 million, of which USD\$80 million mature on December 15, 2017 and USD\$60 million mature on June 15, 2020.

Stockholders' Equity

At 2Q17, the Company reported a stockholders' equity of Ps.1,113 million, an increase of 41% compared to Ps.790 million recorded in the same period of the previous year. This is mainly due to the profits of the period and the increase in Celmax's capital stock.

On August 22, 2016, Maxcom performed an "inverse split" of its shares, delivering a new share for 42 outstanding shares.

Capital Structure

	2Q17	2Q16
Subscribed and paid shares	115,010,530	4,829,248,541
CPOs outstanding ^{1,2}	N/A	1,578,752,954

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 enterprises and residential customers in the Mexican territory. MAXCOM launched its commercial operations in May 1999 and is currently offering local and long distance telephony services; wired, wireless and cellular data transmission; IP-based TV services and value-added services in Mexico City metropolitan area, Monterrey, Puebla, Querétaro, León, Guadalajara, 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 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 June 30, 2017	As of December 31, 2016	Var \$	Var %
<u>ASSETS:</u>				
CURRENT ASSETS:				
Cash and financial instruments	Ps. 534,602	Ps. 847,547	Ps. (312,945)	(37%)
	534,602	847,547	(312,945)	(37%)
Accounts receivable:				
Customers, net of allowance	251,382	264,178	(12,796)	(5%)
Recoverable value added tax	108,747	44,604	64,143	144%
Other sundry debtors	11,354	24,925	(13,571)	(54%)
	371,483	333,707	37,776	11%
Inventory	2,427	1,514	913	60%
Prepaid expenses	35,282	27,006	8,276	31%
Total current assets	943,794	1,209,774	(265,980)	(22%)
Telephone network systems and equipment, net	2,219,987	2,359,301	(139,314)	(6%)
Intangible assets, net	380,811	221,111	159,700	72%
Long-term restricted cash	28,071	14,569	13,502	93%
Financial instruments	-	20,040	(20,040)	(100%)
Deposits in guarantee	8,794	8,790	4	-
Deferred taxes	12,923	12,922	1	-
Other assets	2,151	2,151	-	-
Total assets	Ps. 3,596,531	Ps. 3,848,658	Ps. (252,127)	(7%)
<u>LIABILITIES</u>				
CURRENT LIABILITIES:				
Bank loans	30,000	Ps. 30,000	Ps. -	-
Interest payable	6,168	7,954	(1,786)	(22%)
Accounts payable and accrued expenses	355,555	395,984	(40,429)	(10%)
Customer deposits	2,040	2,484	(444)	(18%)
Derivative financial instruments	19,132	-	19,132	-
Other taxes payable	4,966	35,463	(30,497)	(86%)
Total current liabilities	417,861	471,885	(54,024)	(11%)
LONG-TERM LIABILITIES:				
Step-up senior notes	1,867,580	2,373,224	(505,644)	(21%)
Bank loans	67,500	82,500	(15,000)	(18%)
Deferred income	46,394	46,976	(582)	(1%)
Deferred taxes	-	4,398	(4,398)	-
Labor obligations	6,939	2,241	4,698	210%
Other long-term liabilities	77,190	77,129	61	-
Long-term liabilities	2,065,603	2,586,468	(520,865)	(20%)
Total liabilities	Ps. 2,483,464	Ps. 3,058,353	Ps. (574,889)	(19%)
<u>SHAREHOLDERS' EQUITY</u>				
Capital stock	Ps. 7,743,698	Ps. 7,628,698	Ps. 115,000	2%
Additional paid-in capital	41,113	41,113	-	-
Accumulated losses	(6,920,750)	(4,802,595)	(2,118,155)	(44%)
Net income (loss) for the period	253,266	(2,118,155)	2,371,421	112%
Other comprehensive income	(980)	41,244	(42,224)	(102%)
Controlling interest	1,116,347	790,305	326,042	41%
Non-controlling interest	(3,280)	-	(3,280)	-
Total shareholders' equity	Ps. 1,113,067	Ps. 790,305	Ps. 322,762	41%
Total liabilities and shareholders' equity	Ps. 3,596,531	Ps. 3,848,658	Ps. (252,127)	(7%)

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 2016		6 months ended June 30,				vs 6M 2016	
	2017	%	2016	%	\$ var	% var	2017	%	2016	%	\$ var	% var
TOTAL REVENUES	Ps. 638,313	100%	Ps. 584,286	100%	Ps. 54,027	9%	Ps. 1,369,614	100%	Ps. 1,128,439	100%	Ps. 241,175	21%
Network operating services	398,279	62%	297,420	51%	100,859	34%	879,373	64%	554,101	49%	325,272	59%
Technical expenses	51,337	8%	47,354	8%	3,983	8%	104,201	8%	94,059	8%	10,142	11%
Installation expenses	166	0%	209	0%	(43)	(21%)	1,126	0%	500	0%	626	125%
Network operation cost	449,782	70%	344,983	59%	104,799	30%	984,700	72%	648,660	57%	336,040	52%
GROSS PROFIT	188,531	30%	239,303	41%	(50,772)	(21%)	384,914	28%	479,779	43%	(94,865)	(20%)
Selling, general and administrative expenses	116,070	18%	148,786	25%	(32,716)	(22%)	229,536	17%	303,227	27%	(73,691)	(24%)
EBITDA	72,461	11%	90,517	15%	(18,056)	(20%)	155,378	11%	176,552	16%	(21,174)	(12%)
Depreciation and amortization	52,672		96,539		(43,867)	(45%)	103,435		187,625		(84,190)	(45%)
Other (income) expense	43,756		18,884		24,872	132%	44,769		28,159		16,610	59%
Operating income (loss)	(23,967)		(24,906)		939	4%	7,174		(39,232)		46,406	118%
Comprehensive (income) cost of financing:												
Interest expense	48,460		40,226		8,234	20%	96,705		81,329		15,376	19%
Interest (income) loss, net	(88,798)		(5,954)		(82,844)	(1,391%)	(96,010)		(11,318)		(84,692)	(748%)
Valuation effects, net	30,397		(56,695)		87,092	154%	48,320		(46,148)		94,468	205%
Exchange (income) loss, net	(87,324)		194,606		(281,930)	(145%)	(292,458)		231,814		(524,272)	(226%)
	(97,265)		172,183		(269,448)	(156%)	(243,443)		255,677		(499,120)	(195%)
INCOME (LOSS) BEFORE TAXES	73,298		(197,089)		270,387	137%	250,617		(294,909)		545,526	185%
Taxes:												
Income taxes	631		-		631	-	631		-		631	-
Deferred taxes	-		-		-	-	-		-		-	-
Total taxes	631		-		631	100%	631		-		631	100%
NET INCOME (LOSS)	Ps. 72,667		Ps. (197,089)		Ps. 269,756	137%	Ps. 249,986		Ps. (294,909)		Ps. 544,895	185%
Other comprehensive result	(42,224)		6,483		(48,707)	(751%)	(42,224)		5,879		(48,103)	(818%)
COMPREHENSIVE NET INCOME (LOSS)	Ps. 30,443		Ps. (190,606)		Ps. 221,049	116%	Ps. 207,762		Ps. (289,030)		Ps. 496,792	172%
Controlling interest	75,947		(197,089)		273,036	139%	253,266		(294,909)		548,175	186%
Non-controlling interest	(3,280)		-		(3,280)	-	(3,280)		-		(3,280)	-
NET INCOME (LOSS)	Ps. 72,667		Ps. (197,089)		Ps. 269,756	137%	Ps. 249,986		Ps. (294,909)		Ps. 544,895	185%
Average basic shares	113,726		4,701,479				113,726		4,701,479			
Average diluted shares	113,726		4,701,479				113,726		4,701,479			
Earnings per basic share	0.67		(0.04)				2.23		(0.06)			
Earnings per diluted share	0.67		(0.04)				2.23		(0.06)			

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	Controlling interest	Non-controlling interest	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	Ps. -	Ps. 2,799,658
Increase in capital stock	100,000	-	-	-	100,000	-	100,000
Comprehensive net loss	-	-	(294,909)	5,879	(289,030)	-	(289,030)
Balances as of June 30, 2016	<u>Ps. 7,628,698</u>	<u>Ps. 41,113</u>	<u>Ps. (5,097,504)</u>	<u>Ps. 38,321</u>	<u>Ps. 2,610,628</u>	<u>Ps. -</u>	<u>Ps. 2,610,628</u>
	Capital stock	Additional paid-in capital	Accumulated losses	Other comprehensive income	Controlling interest	Non-controlling interest	Total shareholders' equity
Balances as of December 31, 2016	Ps. 7,628,698	Ps. 41,113	Ps. (6,920,750)	Ps. 41,244	Ps. 790,305	Ps. -	Ps. 790,305
Increase in capital stock	115,000	-	-	-	115,000	-	115,000
Comprehensive net income	-	-	253,266	(42,224)	211,042	(3,280)	207,762
Balances as of June 30, 2017	<u>Ps. 7,743,698</u>	<u>Ps. 41,113</u>	<u>Ps. (6,667,484)</u>	<u>Ps. (980)</u>	<u>Ps. 1,116,347</u>	<u>Ps. (3,280)</u>	<u>Ps. 1,113,067</u>

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 June 30,		vs 3M 2016		6 months ended June 30,		vs 6M 2016	
	2017	2016	\$ var	% var	2017	2016	\$ var	% var
Operating Activities:								
Income (loss) before taxes	Ps. 73,298	Ps. (197,089)	Ps. 270,387	137%	Ps. 250,617	Ps. (294,909)	Ps. 545,526	185%
Items not requiring the use of cash	(45,019)	301,115	(346,134)	(115%)	(128,346)	489,321	(617,667)	(126%)
Cash flow from income (loss) before taxes	28,279	104,026	(75,747)	(73%)	122,271	194,412	(72,141)	(37%)
Cash flow from:								
Accounts receivable	10,971	(41,384)	52,355	127%	3,688	(36,351)	40,039	110%
Inventory	(832)	3,039	(3,871)	(127%)	(913)	(1,070)	157	15%
Accounts payable	63,353	7,386	55,967	758%	(40,430)	(81,875)	41,445	51%
Other assets and liabilities	(1,484)	190,668	(192,152)	(101%)	(90,642)	192,700	(283,342)	(147%)
Cash flow from operating activities	72,008	159,709	(87,701)	(55%)	(128,297)	73,404	(201,701)	(275%)
Net cash flow from operating activities	100,287	263,735	(163,448)	(62%)	(6,026)	267,816	(273,842)	(102%)
Investing Activities:								
Telephone network systems and equipment, net	(65,780)	(128,572)	62,792	49%	(123,303)	(257,785)	134,482	52%
Net cash flow used in investing activities	(65,780)	(128,572)	62,792	49%	(123,303)	(257,785)	134,482	52%
Financing Activities:								
Bank loans	(7,500)	(7,500)	-	-	(15,000)	(15,000)	-	-
Senior notes	(254,013)	(199,950)	(54,063)	(27%)	(270,114)	(227,825)	(42,289)	(19%)
Capital stock	115,000	100,000	15,000	15%	115,000	100,000	15,000	15%
Other financing activities	(12,866)	1,401	(14,267)	(1,018%)	(13,502)	2,655	(16,157)	(609%)
Net cash flow from financing activities	(159,379)	(106,049)	(53,330)	(50%)	(183,616)	(140,170)	(43,446)	(31%)
Increase (decrease) in cash and financial instruments	(124,872)	29,114	(153,986)	(529%)	(312,945)	(130,139)	(182,806)	(140%)
Cash and financial instruments at beginning of period	659,474	636,044	23,430	4%	847,547	795,297	52,250	7%
Cash and financial instruments at end of period	Ps. 534,602	Ps. 665,158	Ps. (130,556)	(20%)	Ps. 534,602	Ps. 665,158	Ps. (130,556)	(20%)

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 A) 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.