Quarterly Financial Information

[105000] Management commentary

Management commentary [text block]

Axtel, S.A.B. de C.V. ("Axtel" or "the Company"), a Mexican information and communications technology company, announced today its unaudited third quarter results ended September 30, 2016[1]. Axtel is a subsidiary of Alfa S.A.B. de C.V. ("ALFA").

For additional information, please contact Adrian de los Santos, Investor Relations Officer and Corporate Finance Director at ir@axtel.com.mx

Highlights:

v. The Company's operating performance continued improving as reflected in an 11% EBITDA sequential growth driven by the positive revenue trend from enterprise and FTTx mass-market segments. Revenue from government, which has been underperforming this year, started to recover as contracts signed in the first semester are now contributing to the Company's results.

v. As of the end of the third quarter, Axtel has captured run-rate EBITDA synergies representing 65% of the run-rate target, resulting in a cumulative benefit of approximately Ps. 300 million.

v. The Company continues to experience a stronger demand in its IT and Telecom managed solutions from enterprise customers, as the new expanded portfolio of services and more robust network have become a competitive strength of the combined Company.

v. Consistent with Axtel's IT strategy, we recently launched the "Alestra Cloud Collaboration" service with Cisco technology, a solution that enhances communication while improving productivity for our customers.

vi. Felipe Canales added "Third quarter results show a considerable growth of 11% in EBITDA compared to the previous quarter. This is explained by the positive performance of the enterprise business, in particular the IT segment, and the FTTx Mass Market segment. Merger synergies in expenses have also contributed to the improvement of the results. It should be noted that the growth in the enterprise segment has been influenced by the higher level of interest in our managed services by corporate clients. The expanded portfolio of services and a more robust network and data center platform represents a competitive advantage for Axtel. We are confident that this positive trend in our results will continue the rest of the year and in the long run."

Disclosure of nature of business [text block]

Axtel is a Mexican Information and Communication Technology Company that serves the enterprise, government, and residential markets with a robust portfolio of offers through its brands Alestra (Enterprise and government services) and Axtel (residential and small businesses). With a network infrastructure of over 39 thousand kilometers and more than 6 thousand square meters of data center, Axtel enables organizations to be more productive and bring people together to improve their quality of life. As of February 15, 2016, Axtel is a subsidiary of ALFA, which owns 51% of its equity

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Enterprise and Government services website: www.alestra.mx

Mass Market services website: www.axtel.mx

Disclosure of management's objectives and its strategies for meeting those objectives [text block]

The Company’s strategic goal is to make Axtel a leader in high speed broadband (largely as a result of the FTTH offered services) and in selected areas of ICT services, with differentiated services oriented to highvalue segments in the residential, business, corporate, financial and government areas. Consistent with this goal, six business strategies were identified: (1) focus on growth in high speed broadband (2) focus on ICT services with differentiated products, (3) gain market share in selected segments of high-value customers, (4) compete with quality of service differentiation, innovation and commercial creativity, (5) re-orient the culture towards greater productivity and profitability in the operation of assets and (6) improve operating efficiency.

As part of its implementation of the foregoing strategies, the Company has bundled multiple voice, television, data and internet services into integrated telecommunications solutions for businesses and highusage residential customers which has allowed the Company to obtain improved revenues per user and a higher profitability per unit invested in infrastructure.

The Company’s future growth is expected to come from new customer acquisitions in existing service areas and new customers resulting from the build-out incremental network capacity within our current markets and in selected new cities. The Company may also explore other growth opportunities through commercial agreements or strategic associations with one or more telephone, data, internet, satellite TV, cable and/or other value-added service providers in the future.

Disclosure of entity's most significant resources, risks and relationships [text block]

For more information on risks, see the Annual Report 2015. The risks described below should not be considered the only risks.

Information that differs from the real historic information that is included hereunder reflects the perspectives of the Company in relation to the events and may contain information about financial results, economic situations, trends and facts or assumptions that are uncertain. Likewise, the pro forma information does not necessarily reflect what it should have happened if the assumptions on which they are based would have happened. This document also contains declarations on the future. Words such as "believing", "anticipate", "to plan", "expect", "intend", "goal", "estimate", "forecast", "predict", "should" and similar expressions intend to identify future consequences but they are not the only way to identify the above mentioned declarations. Forward looking statements involve risks and uncertainties inherent in them. We note that there are many factors that could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in forward-looking statements.

We have a history of substantial losses and may incur further losses in the future.

We have incurred a cumulative net loss in previous periods, we have experienced declines in revenues and cash flow and have experienced liquidity constraints. We have adopted plans to address our liquidity position, including the asset divestiture and exchange offers. However, if in the future we incur losses or generate cash flows that are not sufficient to cover investments, interest payments and other costs and expenses, our business operations could be compromised and we could be forced to declare bankruptcy, liquidate or reorganize.

Our revenues, operating income and Adjusted EBITDA could decline

If revenues decrease or if margins are reverted in the future, our results of operations and financial condition could be materially adversely.

A higher leverage could limit our ability to expand and adversely affect our operating results.

The resulting increase in debt service costs could reduce the amount of cash which would otherwise be available to invest in the expansion of our business or to meet other obligations. Likewise, an increase in our leverage could reduce our access to new financing sources on favorable terms, and as a consequence, limit our growth and affect our operating results.

The Company may need additional financing.

The Company may require additional financing in the future to fund our operations. we operate in a highly regulated industry and we face the regulatory risk of having a Mexican governmental agency mandate increased capital expenditures or our incurrence of other expenses not currently contemplated. We cannot assure you that we will have sufficient resources to make such investments or cover potential expenses mandated by governmental agencies and that, if needed, any financing will be available in the future or on acceptable terms. In addition, our ability to incur additional indebtedness will be restricted by the terms of agreements currently in place or into which we may enter in the future

Adverse and volatile conditions in the Mexican and international credit markets, including higher interest rates, reduced liquidity or decreased interest from financial institutions in granting us credit, have in the past and may in the future increase our cost of borrowing or refinancing maturing indebtedness, with adverse consequences to our financial condition and results of operations. We cannot assure you that we will be able to refinance any indebtedness we may incur or otherwise obtain funds by selling assets or raising equity to make required payments on maturing indebtedness.

Our network growth strategy may fail to generate the revenues we anticípate.

The Company have invested in network and infrastructure and according to our projections we will have to make significant additional expenditures to maintain and upgrade our network and to increase our capacity and our business for the future. These expenditures, together with operating expenses, may affect our cash flow and profitability, particularly if the expenditures do not lead to additional revenue.

Our industry is characterized by rapid technological change, which could render our products obsolete and cause us to recognize an impairment charge to our assets.

Most of network and other system equipment used in the telecommunications industry have a limited life and must be replaced because of damage or competitive obsolescence. For example, increased demand for bandwidth-intensive services has required us to upgrade from fixed-wireless access technologies, including WiMAX, to fiber optic-based technologies like GPON. Such upgrades or migrations require significant capital expenditures and we cannot assure you that unforeseen technological evolutions will not render our services unpopular with customers or obsolete. To the extent our equipment or systems become obsolete; we may be required to recognize an impairment charge to such assets, which may have a material adverse effect on our business and results of operations.

The Company depend on certain important customers for a significant portion of our revenues.

The loss of an important customer could adversely affect our business, financial condition, revenues and results of operations.

The Company operate in a highly competitive environment, compete with providers that have greater financial resources than we do and experience significant rate pressure, all of which may negatively affect our operating margins and results of operations.

The telecommunications industry in Mexico is becoming more competitive. With the convergence of services, competition has intensified and we compete with established telecom companies such as Telmex, Alestra and Maxcom, with cable companies such as Megacable and Televisa Cable Companies (Cablemás, Cablevisión, Cablecom and TVI) and with mobile operators such as América Móvil, Iusacell and Telefónica Movistar.

We have experienced and expect to continue experiencing pricing pressures, primarily as a result of:

- focus by our competitors on increasing their market share;
- recent technological advances that permit substantial increases in the transmission capacity of both new and existing fiber optic networks, resulting in long distance overcapacity.
- greater participation of traditional fixed-line service providers;
- further penetration of cable television operators into certain of our markets;
- and the entrance of new competitors, such as AT&T.

Certain of our competitors, including Telmex, a subsidiary of América Móvil and the former state-owned telecommunications monopoly and dominant provider of local and other telecommunications services in Mexico, have significantly greater financial and other resources than those available to us.

Delays in the implementation and availability of new technologies or service access networks could adversely affect results of operations

Telecommunications companies constantly migrate to new technologies or access networks depending on the demand for services in the market, and the characteristics of the technological alternatives available and their cost and adaptability. Since 2010, Axtel has tested different optical fiber technologies, such as GPON last mile and Fiber Optic Modem ("FOM"), to provide converged telecommunications services to its customers. Deployment of these technologies is susceptible to delays and/or such technologies may fail to meet expected capacities, which would result in slower growth and adversely affect the results of operations of the Company. Additionally, if any of our suppliers for FTTH optical fiber or ICT services fails to provide such services or equipment, our ability to make the necessary deployments in order to have the penetration and coverage we seek would be adversely affected, which could adversely affect our results of operations.

We depend on key personnel; if they were to leave us, we might have an insufficient number of qualified employees.

We believe that our ability to implement our business strategy and our future success depends on the continuous employment of our executive management team. The executive management team has extensive experience in the industry and is vital in maintaining some of our major customer relationships as well as the proper operation of our assets. The loss of the technical knowledge, management and industry expertise of key employees could hinder the optimal execution of our business plan and could result in delays in launching new products, loss of customers and diversion of resources to the extent that such employees be replaced.

If we do not successfully maintain, upgrade and efficiently operate accounting, billing, customer service and management information systems, we may not be able to maintain and improve our operating efficiencies.

Sophisticated information and processing systems are vital to our operations and growth and our ability to monitor costs, render monthly invoices for services, process customer orders, provide customer service and achieve operating efficiencies. We have installed the accounting, information and processing systems that we deem necessary to provide services efficiently. However, there can be no assurance that we will be able to successfully operate and upgrade such systems or that these systems will continue to perform as expected. Any failure in our information and processing systems could impair our ability to collect payment from customers and respond satisfactorily to customer needs.

Our operations are dependent upon our ability to protect our network infrastructure.

Our operations are dependent upon our ability to protect our network infrastructure against damage from fire, earthquakes, hurricanes, floods, power loss, security breaches, software defects and similar events and to build networks that are not vulnerable to the effects of such events. The occurrence of a natural disaster or other unanticipated problems at our facilities or at the sites of our switches could cause interruptions in the services we provide. The failure of a switch would result in the interruption of service to the customers served by that switch until necessary repairs were made or replacement equipment was installed. Repairing or replacing damaged equipment may be costly. Any damage or failure that causes interruptions in our operations could have a material adverse effect on our business, financial condition and results of operations.

We depend on Telmex for interconnection, If in the future, Telmex ceases to be a preponderant agent and is permitted to charge us higher interconnection fees than are currently applicable under the LFTR, such development could have a material adverse effect on our business and results of operations.

Under the LFTR, as of August 14, 2014 and for so long as it remains a preponderant agent in the telecommunications sector, Telmex is prohibited from charging us interconnection fees for mobile and longdistance calls terminating on its network and relatively low bill and keep rates will apply for fixed local calls terminating on its network. America Movil, the parent company of Telmex, has announced that it intends to divest assets as quickly as possible in order to reduce its market share of the overall Mexican telecoms market below 50% and avoid the asymmetric regulations that apply to dominant players in the industry. If Telmex ceases to be a preponderant agent and, accordingly, IFT ceases to regulate Telmex pricing, Telmex may charge us interconnection fees and/or bill and keep rates that are higher than are currently applicable under the LFTR, which could have a material adverse effect on our business, financial condition and results of operations.

We rely on Telmex to maintain our leased last-mile links.

We maintain a number of dedicated links and last-mile-access infrastructure under lease agreements with Telmex. If Telmex breaches the agreed contractual conditions, or an agreement is not renewed upon its expiration, and Telmex discontinues the provision of services before we are able to link these customers to our own network, there could be a material adverse effect on our operations, business, financial condition and results of operations.

Under Mexican law, our concessions could be expropriated or temporarily seized.

Pursuant to the LFTR enacted in August 2014, the public telecommunications networks are considered public domain and holders of concessions to install operate and develop public telecommunications networks are subject to the provisions of the LFTR and any other provision contained in the concession title. The LFTR provides, among other things, for the following:

- rights and obligations granted under the concessions to install, operate and develop public telecommunications networks may only be assigned with the prior authorization of IFT;
- neither the concession nor the rights thereunder or the related assets may be assigned, pledged, mortgaged or sold to any government or country;

- the Mexican government can request changes or seize the radio electric spectrum granted in the concession, in any of the following events: i) reasons relating to economic or public order, ii) national security, iii) introduction of new technologies, iv) to solve interference problems, v) to comply with international treaties, vi) to reorganize the frequency bands and vii) for the continuity of a public service; and

- the Mexican government may expropriate or temporarily seize the assets related to the concessions.

Mexican law sets forth the process for indemnification for direct damages arising out of the expropriation or temporary seizure of the assets related to the concessions, except in the event of war. However, in the event of expropriation, we cannot assure you that the indemnification will equal the market value of the concessions and related assets or that we will receive such indemnification in a timely manner. Mexican law does not prohibit a grant of a security interest by the concessionaire to its creditors (except for security granted to a foreign government or country) in the concessions and the assets, provided that all procedural laws are complied with; however, if such security interest is enforced, the assignee must comply with legal provisions related to concessionaires, including, among others, the requirement to receive the authorization by the regulatory authority to be a holder of the concession.

We could lose or encounter unfavorable conditions and fees with respect to our concessions.

Under our concessions, we are subject to various financial and technical conditions imposed by IFT. We cannot assure you that we will continue to meet these conditions. Failure to meet or to obtain a waiver or modification of these conditions can result in a fine, loss of surety or termination of the concession. Furthermore, our concessions are of a fixed duration and are scheduled to expire between 2018 and 2026. We cannot assure you of our ability to renew our concessions nor of the terms of any such renewal. The renewal fee is determined at the time of renewal. A failure to renew or maintain our concessions could have a materially adverse effect on our business.

The regulatory authorities could require us to offer services in certain geographical areas where we may experience a lower operating margin.

The SCT has granted us the necessary permits to provide services in the entire Mexican territory. Some of our concessions require us to offer services in certain geographical areas where we do not currently provide services.. If needed in the future, we may request extensions from the SCT (or the IFT) in order to comply with the terms of some of our concessions. We may also be required to provide services in geographical areas where we may experience a low operating margin with respect to such services. If we do not obtain the necessary extensions when required, or if we are required to provide services in areas where we do not currently provide services or in geographical areas where we may experience a low operating margin with respect to such services, our results of operations and financial condition may be adversely affected.

We depend on revenues from certain highly competitive markets.

High-volume customers —like financial institutions, corporate customers and federal and state government entities— are among the most attractive niches in the telecommunications market. This niche is being pursued by a number of carriers, including Telmex, Alestra and Televisa’s Bestel, that offer competitive telecommunications services solutions in order to gain these accounts. Losing some of these customers could lead to a significant loss of revenue and lower operating income.

We have experienced losses in the past in connection with derivative financial instruments.

We use derivative financial instruments to manage risk associated with interest rates and to hedge a portion of the interest payments. Our policy is not to enter into derivative transactions for speculative purposes; however, we may continue to enter into derivative financial instruments as an economic hedge against certain business risk, even if these instruments do not qualify for hedge accounting under IFRS. The mark to market accounting for derivative financial instruments is reflected in our income statement.

The technology we use may be made obsolete by the technology used by our competitors. Delays in the implementation and availability of services based on new technologies or access networks could adversely affect our results of operations.

Our fixed wireless system, fiber optic network, point-to-multipoint and point-to-point infrastructure may not be as efficient as technologies used in the future by our competition. We have relied heavily on the continued performance of wireless technology. Technological changes or advances in alternative technologies may adversely affect our competitive position and require us to reduce our prices, substantially increase capital expenditures and/or write down obsolete technology.

Telecommunications companies constantly migrate to new technologies or access networks depending on the market services demand and also on the particular characteristics of the technological alternatives that are available, its costs and their adaptability to the environment of the Company. Starting in 2010, Axtel has focused significantly on several last mile fiber optics technologies like GPON and FOM in order to provide convergent telecommunication services to its clients. Nonetheless, these deployments may be susceptible to delays or not reaching its expected capabilities, resulting in a lower growth and as a consequence affecting adversely the operations results of the Company. Likewise, if any of our suppliers of optical fiber for FTTH or TIC services stops providing such equipment and services, or if it does not allow us to perform the necessary actions in order to assure the desired penetration and coverage, we may experience a negative impact on the Company’s results.

A number of our residential and small and medium-sized enterprises are served using WiMAX-based Technology, which is capable of providing up to 2 Mbps. As other access technologies, such as FTTH, continue to evolve the lack of upgrades to WiMAX technology may adversely affect the competitiveness of Axtel's commercial offers to customers served with WiMAX. If Axtel is not able to migrate WiMAX customers to other technologies like FTTH, and if WiMAX-based customers demand services that cannot be provided, a significant disconnection of customers could occur which could adversely affect the operating results of the Company.

If our current churn rate increases our business could be negatively impacted.

The cost of acquiring a new customer is much higher than the cost of maintaining an existing customer. Accordingly, customer deactivations, or churn, could have a material negative impact on our operating income, even if we are able to obtain one new customer for each lost customer.

The Company has a major shareholder, Alfa, whose interests may not be aligned with those of Axtel or investors.

As of February 15, 2016, the Company is a subsidiary of Alfa. Alfa is a holding company that, through its subsidiaries including Axtel, operates in various industrial sectors. The interests of Alfa may be different from the interests of investors as holders of Shares in material aspects, among others, appointment of members of the board of directors, the appointment of the CEO and approval of mergers, acquisitions and other non-recurring transactions. In addition, Alfa and a group of shareholders holding approximately 42.5% of the capital stock of Axtel prior to the merger, entered into a shareholders' agreement for the purposes of regulating their relationship as shareholders of the Company as well as transfers of shares between Alfa and such shareholders. Such shareholders' agreement contains, among other provisions, rules for the appointment of members of the board, matters of qualified majority at shareholder meetings and preemptive rights.

Restrictive covenants in our debt agreements may restrict the manner in which we can operate our business.

The Syndicated facility signed on January 15, 2016 limits, among other things, our ability to:

- incur additional indebtedness;
- pay dividends or make distributions to our stockholders;
- create liens to secure indebtedness;
- make loans or investments;
- enter into transactions with our affiliates;
- sell or transfer assets;
- merge or consolidate with other companies;
- enter into new lines of business; and
- perform operations with financial derivative instruments

Some limitations include financial reasons. The Company may not have the ability to keep these reasons in the future.

Axtel operate in a highly regulated industry.

As public services providers, we are subject to extensive regulation. The operation of telecommunications systems in Mexico, including ours, is currently subject to laws and regulations administered by IFT, which have been recently amended and may be amended from time to time in the future. Regulatory changes in the future could subject us to different or additional legal liability and obligations, and could materially and adversely affect our business, operations, financial condition and prospects.

Decreases in market rates for telecommunication services could have a material adverse effect on our business, results of operation and our financial condition.

We expect the Mexican telecommunications market to continue to experience rate pressure, primarily as a result of:

- increased competition and focus by our competitors on increasing market share; and
- recent technological advances that permit substantial increases in the transmission capacity of both new and existing fiber optic networks resulting in long distance overcapacity.

Continued rate pressure could have a material adverse effect on our business, financial condition and operating results if we are unable to generate sufficient traffic and increased revenues to offset the impact of the decreased rates on our operating margin.

Fraud could increase our expenses.

The fraudulent use of telecommunications networks could impose a significant cost upon service providers, who must bear the cost of services provided to fraudulent users. We may suffer a loss of revenue as a result of fraudulent use and incur an additional cash cost due to our obligation to reimburse carriers for the cost of services provided to fraudulent users. Although technology has been developed to combat this fraudulent use and we have installed it in our network, this technology does not eliminate the impact of fraudulent use entirely. In addition, because we rely on other long distance carriers to terminate our calls on their networks, some of which do not have anti-fraud technology in their networks, we may be particularly exposed to this risk in our long distance service.

Weakness in the Mexican economy could adversely affect our business, financial condition and results of operations.

Our operations, results and financial condition are dependent partly on the level of economic activity in Mexico. Income in Mexico has a considerable dependence on oil, U.S. exports, remittances and commodities, and these variables and factors are beyond our control. External economic events could significantly affect Mexico’s general economy and cause sudden economic shocks like those experienced in 2009 when Mexico’s GDP declined 4.7%. Mexico’s volatile economy could significantly affect our business and results of operations.

Mexican federal governmental policies or regulations, as well as economic, political and social developments in Mexico, could adversely affect our business, financial condition, results of operations and prospects.

We are a Mexican sociedad anónima bursátil de capital variable and substantially all of our assets are located in Mexico. As a result, our business, financial condition, results of operations and prospects are subject to political, economic, legal and regulatory risks specific to Mexico. The Mexican federal government has exercised, and continues to exercise, significant influence over the Mexican economy. We cannot predict the impact that political conditions will have on the Mexican economy. Furthermore, our business, financial condition, results of operations and prospects may be affected by currency fluctuations, price instability, inflation, interest rates, regulation, taxation, social instability and other political, social and economic developments in or affecting Mexico, over which we have no control. We cannot assure investors that changes in Mexican federal governmental policies will not adversely affect our business, financial condition, results of operations and prospects. We do not have and do not intend to obtain political risk insurance.

High interest rates in Mexico could increase our financing and operating costs.

Mexico has had historically high real and nominal interest rates. The interest rates on 28-day Mexican government treasury securities, CETES, averaged approximately 4.2%, 4.2%, 3.8% and 3.0% for 2011, 2012, 2013 and 2014, respectively and we cannot assure you that interest rates will remain at their current rates. Thus, if we are forced to incur Mexican Peso-denominated debt in the future, it may be at interest rates higher than the current rates.

A devaluation of Mexican currency could adversely affect our financial condition.

While our revenues are almost entirely denominated in Pesos, the substantial majority of our capital expenditures and 99% of our contracted debt as of December 31, 2014 is denominated in U.S. dollars. The value of the Mexican Peso has been subject to significant fluctuations with respect to the U.S. dollar in the past and may be subject to significant fluctuations in the future. In 2009 and 2010, the peso appreciated 3.7% and 5.7%, in 2011 depreciated into 11.7%, in 2012 it appreciated 7.5%, in 2013 it depreciated 0.5% and in 2014 it depreciated 11.2%. Further declines in the value of the peso may also result in disruption of the international foreign exchange markets. This may limit our ability to transfer or convert Pesos into U.S. dollars and other currencies and adversely affect our ability to meet our current U.S. dollar-denominated obligations and any other U.S. dollar-denominated obligations that we may incur in the future. While the Mexican federal government does not currently restrict the ability of Mexican or foreign persons or entities to convert Pesos into U.S. dollars or other currencies, the Mexican federal government could institute restrictive exchange control policies in the future.

Future issuances of Shares may result in a decrease of the market price of the CPOs.

Disclosure of results of operations and prospects [text block]

Note: Figures shown throughout the document include Alestra S. de R.L. de C.V. and its subsidiaries (“Alestra”) as of February 15, 2016. However, in order to explain variations, reference is also made to pro forma figures, as if the merger had occurred at the beginning of each period.

Sources of Revenues

Mass Market:

Quarterly revenues decreased 5%:

FTTH. FTTH revenues totaled Ps. 499 million in the third quarter of 2016, compared to Ps. 427 million for same period in 2015, representing a 17% increase in line with a 20% increase in customers. Voice revenues increased 11% due to a 24% increase in monthly rent revenues mitigated by a 66% decline in mobile revenues due to lower billed fix-to-mobile minutes and prices. Internet and video revenues increased 15% and 31% respectively, mainly due to increases in internet and video subscribers.

Wireless. Revenues amounted to Ps. 279 million in the third quarter of 2016, compared to Ps. 394 million in the same period in 2015, a 29% decrease explained by a 31% decline in customers. Voice revenues decreased 32% mainly explained by a 27% decline in monthly rents and a 64% decline in mobile revenues due to less billed fix-to-mobile minutes. Internet revenues decreased 20% due to a decline in internet subscribers.

Telecom:

Quarterly revenues totaled Ps. 2,491 million, compared to Ps. 1,337 million in the same period in 2015, an 86% increase. On a pro forma basis, revenues decreased 5%, mainly due to declines in voice revenues. *Voice* revenues decreased 20% due to declines fix-to-mobile revenues, toll-free (800s) revenues and a 77% decline in international traffic revenues explained by declines in volume. *Data and Internet* revenues increased 9% strong demand for dedicated internet services from enterprise customers. *Managed networks* revenues decreased 2%.

IT:

IT revenues amounted to Ps. 568 million in the third quarter of 2016, compared to Ps. 201 million in the same period in 2015, a 182% increase. On a pro forma basis, revenues increased 5% due to strong increases in cloud services and hosting revenues due to better performance in hosting, cloud and system integration services related to government segment projects.

Mass Market Operating Data

Customers. As of September 30, 2016, customers totaled 467 thousand, a reduction of 70 thousand from the same date in 2015 due to the continued decline in Wireless customers. Total customers declined 9 thousand on a sequential basis. ARPU for FTTH and wireless customers is Ps. 811 and Ps. 415, respectively.

RGUs[9]. As of September 30, 2016, RGUs (Revenue Generating Units) totaled 1,059 thousand. During the third quarter of 2016, there were less than 1 thousand net disconnections, compared to 29 thousand net disconnections in the third quarter of 2015 due to stronger FTTH additions in 2016.

Voice RGUs (lines in service). As of September 30, 2016, lines in service totaled 529 thousand, composed of 266 thousand for FTTH segment and 263 thousand for wireless segment. Lines in service in the third quarter of 2016 decreased 3 thousand, compared to a decrease of 20 thousand in the same period of 2015, due to continued decline in wireless customers.

Internet RGUs (internet subscribers). Broadband subscribers decreased 9% year-over-year totaling 406 thousand as of September 30, 2016. During the third quarter of 2016, broadband subscribers' net disconnections totaled 2 thousand compared to 12 thousand in the same period of 2015, due to continued disconnections of wireless subscribers and an increase in FTTH net additions this quarter. As of September 30, 2016, wireless broadband subscribers reached 182 thousand, compared to 258 thousand a year ago, while AXTEL X-tremo, or FTTH customers, totaled 225 thousand compared to 186 thousand a year ago. Broadband penetration has increased from 75% in September 2015 to 77% in September 2016.

Video subscribers. As of September 30, 2016, video subscribers reached 123 thousand compared to 103 thousand a year ago, a 20% increase. Video penetration within the FTTH broadband subscriber remained flat at 55% compared to September 2015.

Cost of Revenues and Operating Expenses

Cost of Revenues. For the three month period ended September 30, 2016, the cost of revenues represented Ps. 869 million, an increase of 96% or Ps. 424 million, compared to the same period of year 2015. On a pro forma basis, costs decreased 2% mainly due to *Telecom* segment costs. *Mass market* costs increased 17% due to increases in FTTH segment video costs, which was compensated by a decrease of 37% in voice costs. *Telecom* costs declined 11% mainly due to a strong decline in *Data an Internet* associated to lower revenues. *IT* segment costs increased 6%.

Gross Profit. Gross profit is defined as revenues minus cost of revenues, excluding depreciation costs. For the third quarter of 2016, the gross profit accounted for Ps. 2,968 million, 55% higher than the same period in year 2015. On a pro forma basis, gross profit decreased 4% due to the decline in *Telecom* revenues. The gross profit margin remained flat at 77% year-over-year.

Operating expenses. In the third quarter of year 2016, operating expenses totaled Ps. 1,703 million, 54% higher than the operating expenses recorded in the same period in 2015. On a pro forma basis, operating expenses amounted Ps. 1,697 million in the third quarter of 2015, very similar to third quarter 2016. The declines in personnel, outsourcing, and marketing mitigated the increase in non-recurring merger expenses and maintenance expense which resulted from a larger number of customer-related maintenance contracts and the impact of the peso devaluation on the Company's IT and network maintenance contracts.

Other income / (expense), EBITDA, Operating income (loss)

Merger and Integration Expense. For the three month period ended September 30, 2016, expenses related to the Axtel-Alestra merger totaled Ps. 59 million pesos. In the previous quarter, merger-related expenses totaled Ps. 28 million. For the twelve month period ended September 30, 2016, pro forma merger expenses totaled Ps. 863 million the most relevant being merger-related expenses categories are severance payments, a one-time non-cash pension relate charge and consulting fees.

EBITDA[(6)]. For the third quarter of 2016, EBITDA reached Ps. 1,265 million, a 57% increase from the same period in 2015. Pro forma EBITDA in the third-quarter of 2015 was Ps. 1,399 million, a decline of 10%, summarized as the result of a 4% decline in revenues and a 32 bps decline in margin of contribution. EBITDA margin decreased from 35.1% to 33.0%.

Operating income (loss). In the third quarter of 2016, operating income totaled Ps. 339 million, compared to an operating income of Ps. 132 million. On a pro forma basis, operating income was Ps. 466 million in the second quarter of 2015, representing a decrease of Ps. 127 million for 2016 period mainly due to a higher level of depreciation.

Comprehensive Financing Result, Debt, Cash and Capital Investments

Comprehensive financing result. The comprehensive financing cost reached Ps. 829 million in the third quarter of 2016, compared to a cost of Ps. 1,184 million in the same period of 2015, or Ps. 1,598 million on a pro forma basis. The reduction in pro forma comprehensive financing result is explained by lower interest and FX losses during the third quarter of 2016 compared to the third quarter of 2015.

Debt. At the end of the third quarter 2016, total debt increased Ps. 7,178 million in comparison with third quarter 2015, mostly explained by (i) the new a Ps. 16,010 14,763 million increase related to the new Syndicated Credit Facility which refinanced Ps. 11,996 million of 2017, 2019 and 2020 Notes, (ii) an increase of Ps. 3,601 3,210 million related to Alestra's debt and (iii) a Ps. 1,751 million non-cash increase caused by the 13 15% depreciation of the Mexican peso.

Cash. As of the end of the third quarter of 2016, the cash balance totaled Ps. 906 million, compared to Ps. 3,194 million pro forma a year ago, and Ps. 1,279 million at the beginning of the quarter. The cash balance at the end of the quarter includes restricted cash of Ps. 152 million.

Capital Investments. In the third quarter of 2016, capital investments totaled Ps. 942 million, or $50 million, compared to pro forma Ps. 865 million, or $44 million, in the year-earlier quarter.

Other important information

1. We are presenting financial information based on International Financial Reporting Standards (IFRS) in nominal pesos for the following periods:

    - Consolidated income statement information for the three month periods ending on September 30, 2016 and 2015, and June 31, 2016; and twelve month period ending on September 30, 2016 and 2015, and

    - Balance sheet information as of September 30, 2016 and 2015; and June 31, 2015.

2. 2015 and 1Q16 revenues (include Alestra as of February 15, 2016) under the new segmentation:

Million Pesos	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**
MASS MARKET	**856**	**834**	**822**	**804**	**771**

FTTH	391	415	427	437	447
Wireless	465	419	394	367	324
TELECOM	**1,430**	**1,497**	**1,337**	**1,603**	**1,756**
Voice	526	465	519	470	579
Data and Internet	214	231	232	234	549
Managed Networks	689	801	586	899	628
IT	**130**	**211**	**201**	**425**	**313**
TOTAL	**2,416**	**2,542**	**2,360**	**2,832**	**2,840**

3. Pro forma 2015 and 1Q16 revenues (include Alestra as of the beginning of each period) under the new segmentation:

Million Pesos	**Q1 2015**	**Q2 2015**	**Q3 2015**	**Q4 2015**	**Q1 2016**
MASS MARKET	**856**	**834**	**822**	**804**	**771**
FTTH	391	415	427	437	447
Wireless	465	419	394	367	324
TELECOM	**2,654**	**2,729**	**2,624**	**2,863**	**2,402**
Voice	920	850	895	778	755
Data and Internet	741	760	791	812	831
Managed Networks	993	1,118	939	1,273	815
IT	**296**	**452**	**540**	**822**	**447**
TOTAL	**3,805**	**4,015**	**3,986**	**4,489**	**3,620**

4. Costs of revenues include expenses related to the termination of our customers' cellular and long distance calls in other carriers' networks, as well as expenses related to billing, payment processing, operator services and our leasing of private circuit links.
5. Operating expenses include costs incurred in connection with general and administrative matters which incorporate compensation and benefits, the costs of leasing land and towers related to our operations and costs associated with sales and marketing and the maintenance of our network.
6. Adjusted EBITDA is calculated as operating income (loss) plus depreciation and amortization, plus impairment of assets and further adjusted for extraordinary or non-recurring income and expenses.
7. EBITDA is defined as operating income (loss) plus depreciation and amortization, plus impairment of assets.
8. Net Debt to EBITDA and Net Debt to Adjusted EBITDA: Ratio of net debt at the end of the period divided by the respective LTM EBITDA and Adjusted EBITDA. For 2016 ratio, pro forma LTM EBITDA and Adjusted EBITDA is used.
9. Revenue Generating Unit, or RGU, represents individual service subscriptions who generates recurring revenue for the Company. Total RGUs include the sum of all lines in service, broadband service and video subscriptions.
10. Total debt includes accrued interests as of the end of each period. Net debt is calculated as total debt minus cash and cash equivalents, which include non-current restricted cash.

Analyst Coverage: The analysts mentioned below currently cover Axtel S.A.B. de C.V.

- Bank of America-Merrill Lynch
- BBVA Bancomer
- BTG Pactual
- Casa de Bolsa Banorte Ixe, Grupo Financiero Banorte
- Credit Suisse Securities
- GBM Grupo Bursátil Mexicano
- Itaú BBA
- Scotiabank Inverlat

Financial position, liquidity and capital resources [text block]

Financial Statements

Information as of September 30, 2016 (including Alestra) compared with information as of September 30, 2015

Assets

As of September 30, 2016, total assets summed Ps. 32,381 million compared to Ps. 22,695 million as of September 30, 2015, an increase of Ps. 9,686 million, or 43%.

Cash and equivalents. As of September 30, 2016, we had cash and cash equivalents of Ps. 754,412 compared to Ps. 2,491 million in the same date of year 2015, a 69% decline.

Accounts Receivable. As of September 30, 2016, the accounts receivable were Ps. 6,795 million compared with Ps. 5,597 million in the same date of 2015, an increase of Ps. 1,198 million or 21%.

Property, plant and equipment, net. As of September 30, 2016, the net of depreciation value of property, plant and equipment was Ps. 19,769 million compared with Ps. 13,357 million as of September 30, 2015, an increase of Ps. 6,412 million or 48%. The property, plant and equipment without adjusting for the accumulated depreciation, was Ps. 63,224 million and Ps. 43,174 million as of September 30, 2016 and September 30, 2015, respectively.

Liabilities

Total liabilities were Ps. 27,396 million as of September 30, 2016 compared to Ps. 18,047 million as of September 30, 2015, an increase of Ps. 9,350 million or 52% mainly driven by the inclusion of Alestra's debt and a non-cash increase in debt related to the 15% peso depreciation against the US dollar.

Accounts payable & accrued expenses. On September 30, 2016, the accounts payable and accrued expenses were Ps. 3,592 million compared with Ps. 2,780 million on September 30, 2015, an increase of Ps. 812 million or 29%.

Stockholders' Equity

On September 30, 2016, the stockholders equity of the Company was Ps. 4,985 million compared with Ps. 4,649 million as of September 30, 2015, an increase of Ps. 336,342, or 7%. The capital stock was Ps. 10,362 million as of September 30, 2016 compared to Ps. 6,800 million as of September 30, 2015, this increase is due to the merger between Axtel and Alestra in February 15, 2016.

Liquidity and Capital Resources

Historically we have relied primarily on vendor financing, the proceeds of the sale of securities, internal cash from operations and the proceeds from bank debt to fund our operations, capital expenditures and working capital requirements. Although we believe that we will be able to meet our debt service obligations and fund our operating requirements in the future with cash flow from operations, we may seek additional financing with commercial banks or in the capital markets from time to time depending on market conditions and our financial requirements. We will continue to focus on investments in property, systems and infrastructure and working capital management, including the collection of accounts receivable and management of accounts payable.

Cash Flow Statement

For the three month period ended September 30, 2016 (including Alestra since February 15, 2016) compared with the three month period ended September 30, 2015

Net resources used by operating activities were Ps. 907 million for the three month period ended on September 30, 2016 compared to resources provided by operating activities of Ps. 783 million recorded in the same period of year 2015.

Net resources (used in) provided by investing activities were Ps. (911) million for the three month period ended on September 30, 2016 compared to Ps. (527) million recorded in the same period of year 2015. These flows primarily reflect investments in fixed assets of Ps. 901 million and Ps. 515 million, respectively.

Net resources (used in) provided by financing activities were Ps. (381) million for the three month periods ended on September 30, 2016 and Ps. (689) million for 2015.

As of September 30, 2016, the ratios of net debt to EBITDA and interest coverage of the company were 4.2x and 2.3x, respectively. As of September 30, 2015 the ratios of net debt to EBITDA and interest coverage, were 1.7x and 2.6x, respectively.

Internal control [text block]

The Company, through its administration area, has established adequate policies and procedures for internal control purposes in order to assure reasonable security; that all operations are carried out registered and informed in compliance with such policies established according to the regulations and criteria of IFRS. The Company considers that it’s leading technological information platform, along with its organizational structure, offer the tools and skills necessary to apply such policies and procedures correctly. Likewise, the Company has established and periodically applies internal auditing procedures to its different operational workflows.

The Company’s internal control is regulated by several policies and procedures that go from the delivery service the Company offers, to the goods and services procurement supply chain. The following are some of such policies.

- ***Expenses and Procurement Policies***. The objective of this policy is to assure that all costs or expenses incurred are in accordance with the Company’s interest and its strategies, being delegated its authorization at the executive level. This policy includes from the allocation of budget that contemplates the expenditure in some determined item, until the delivery of or the service to be acquired, passing through a series of filters such as: the selection of a determined supplier, payment term agreed upon, the mode of payment and its execution. The expense and investment budget is authorized in the corporate offices of the Company. The expense budget considers the way we request for authorization, as well as the executive disregarding the amount; it requires prior authorizations before the delivery of the request for a capital investment project (SOPI for its Spanish translation). Any project that is not within the original budget will have to be authorized by top level management of the Company.

- ***Accounting Accounts Policy.*** It contemplates the classification and description of the Catalogue of accounts, which include the classification by account number, and describes the use of each account which comprises the verification balance sheet, in accordance with the IFRS.

- ***Uncollectable Reserve Accounts Policy.*** The objective of this policy is to supervise the collection of the portfolio of accounts to acquire and to establish the provisions required accurately. This policy establishes the necessary requirements for the determination of the provision of uncollectable accounts, and informs the accounting records to be carried out by means of certain provisions and the tax treatment to be applied at the time of the cancellation of the uncollectable accounts.

- ***Investments and Cash Policy.*** This policy has the purpose of providing a guide and frame of action to the treasury of the company, in which the operation mechanics to follow are indicated, as well as in the instruments and terms to invest the excess cash available.

- ***Derivatives or SWAPS.*** Before entering into contracts to cover exchange risks, the Company evaluates the credit quality of its counterparts. The credit risk represents the accounting loss that would be reflected if the corresponding counterparts do not fulfill the agreed upon contract. The Company does not anticipate any breach on the part of its counterparts.

Disclosure of critical performance measures and indicators that management uses to evaluate entity's performance against stated objectives [text block]

	Q3	**Q2**	**Q3**	**(%) 3Q16 vs.**		**LTM**	**LTM**
Million Pesos	**2016**	**2016**	**2015**	**2Q16**	**3Q15**	**sep-16**	**sep-15**
Revenues(2)	3,836	3,478	2,360	10%	63%	12,986	9,701
EBITDA(6)	1,265	1,139	807	11%	57%	3,199	3,556
EBITDA Margin	33.0%	32.8%	34.2%	+ 0 bps	-4%	24.6%	36.7%
Net (loss) Income	-451	-952	-768	53%	41%	-3,134	-2,157
Capital Expenditures	942	794	515	19%	83%	3,652	2,963
Net Debt	19,693	19,039	10,929	3%	80%		
Net Debt / EBITDA(7)						4.2x	1.7x

Sources of Revenues

	(%) 3Q16 vs.	LTM	LTM

Million Pesos	Q3 2016	Q2 2016	Q3 2015	Q2 2016	Q3 2015	sep-16	sep-15
MASS MARKET	778	806	822	-4%	-5%	3,158	
FTTH	499	494	427	1%	17%	-	
Wireless	279	313	394	-11%	-29%	-	
TELECOM	2,491	2,201	1,337	13%	86%	8,051	
Voice	717	707	519	1%	38%	2,474	
Data and Internet	858	849	232	1%	270%	2,490	
Managed Networks	916	645	586	42%	56%	3,088	
IT	568	471	201	21%	182%	1,776	
TOTAL	3,836	3,478	2,360	10%	63%	12,986	-

[110000] General information about financial statements

Ticker:	AXTEL
Period covered by financial statements:	2016-01-01 al 2016-09-30
Date of end of reporting period:	2016-09-30
Name of reporting entity or other means of identification:	AXTEL SAB de CV
Description of presentation currency:	MXN
Level of rounding used in financial statements:	Thousands of pesos
Consolidated:	Yes
Number of quarter:	3
Type of issuer:	ICS
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period:	
Description of nature of financial statements:	

Disclosure of general information about financial statements [text block]

Axtel, S.A.B. de C.V. and Subsidiaries (AXTEL and/or The Company) was incorporated in México as a corporation. The corporate address of the Company is Blvd. Díaz Ordaz km 3.33 L-1, Colonia Unidad San Pedro, 66215 San Pedro Garza García, Nuevo León, Mexico.

The Company's consolidated financial statements for the period ended September 2016 and the year December 31, 2015, includes The Company and subsidiaries (collectively referred as "the Company" and individually as "entities of the Company")

The Company is engaged in operating and/or exploiting a public telecommunication network to provide voice, sound, data, text, and image conducting services, and local, domestic and international long-distance calls and pay-tv services. A concession is required to provide these services and carry out the related activities.

Follow-up of analysis [text block]

Analyst Coverage: The analysts mentioned below currently cover Axtel S.A.B. de C.V.

- Bank of America-Merrill Lynch
- BBVA Bancomer
- BTG Pactual
- Casa de Bolsa Banorte Ixe, Grupo Financiero Banorte
- Credit Suisse Securities
- GBM Grupo Bursátil Mexicano
- Itaú BBA
- Scotiabank Inverlat
- Signum Research

[210000] Statement of financial position, current/non-current

Concept	Close Current Quarter 2016-09-30	Close Previous Exercise 2015-12-31
Statement of financial position [abstract]		
Assets [abstract]		
Current assets [abstract]		
Cash and cash equivalents	754,412,000	2,575,222,000
Trade and other current receivables	5,601,496,000	3,778,313,000
Current tax assets, current	66,070,000	19,824,000
Other current financial assets	193,830,000	378,099,000
Current inventories	145,056,000	53,069,000
Current biological assets	0	0
Other current non-financial assets	0	0
Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners	6,760,864,000	6,804,527,000
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	0	0
Total current assets	6,760,864,000	6,804,527,000
Non-current assets [abstract]		
Trade and other non-current receivables	52,244,000	128,613,000
Current tax assets, non-current	0	0
Non-current inventories	0	0
Non-current biological assets	0	0
Other non-current financial assets	153,514,000	0
Investments accounted for using equity method	0	0
Investments in subsidiaries, joint ventures and associates	11,499,000	8,212,000
Property, plant and equipment	19,769,154,000	13,216,179,000
Investment property	0	0
Goodwill	419,536,000	0
Intangible assets other than goodwill	1,549,819,000	124,994,000
Deferred tax assets	3,454,978,000	2,103,961,000
Other non-current non-financial assets	209,702,000	119,591,000
Total non-current assets	25,620,446,000	15,701,550,000
Total assets	32,381,310,000	22,506,077,000
Equity and liabilities [abstract]		
Liabilities [abstract]		
Current liabilities [abstract]		
Trade and other current payables	5,428,484,000	4,335,938,000
Current tax liabilities, current	51,154,000	182,604,000
Other current financial liabilities	622,044,000	1,050,864,000
Other current non-financial liabilities	1,026,944,000	247,443,000
Current provisions [abstract]		
Current provisions for employee benefits	0	0
Other current provisions	67,813,000	0
Total current provisions	67,813,000	0
Total current liabilities other than liabilities included in disposal groups classified as held for sale	7,196,439,000	5,816,849,000
Liabilities included in disposal groups classified as held for sale	0	0
Total current liabilities	7,196,439,000	5,816,849,000
Non-current liabilities [abstract]		
Trade and other non-current payables	2,102,000	0
Current tax liabilities, non-current	0	0
Other non-current financial liabilities	19,767,876,000	12,541,172,000

Concept	Close Current Quarter 2016-09-30	Close Previous Exercise 2015-12-31
Other non-current non-financial liabilities	0	0
Non-current provisions [abstract]		
Non-current provisions for employee benefits	429,325,000	28,231,000
Other non-current provisions	0	0
Total non-current provisions	429,325,000	28,231,000
Deferred tax liabilities	636,000	0
Total non-current liabilities	20,199,939,000	12,569,403,000
Total liabilities	27,396,378,000	18,386,252,000
Equity [abstract]		
Issued capital	10,362,332,000	6,861,986,000
Share premium	644,710,000	644,710,000
Treasury shares	0	0
Retained earnings	(5,994,747,000)	(3,381,898,000)
Other reserves	(27,367,000)	(4,973,000)
Total equity attributable to owners of parent	4,984,928,000	4,119,825,000
Non-controlling interests	4,000	0
Total equity	4,984,932,000	4,119,825,000
Total equity and liabilities	32,381,310,000	22,506,077,000

[310000] Statement of comprehensive income, profit or loss, by function of expense

Concept	Accumulated Current Year 2016-01-01 - 2016-09-30	Accumulated Previous Year 2015-01-01 - 2015-09-30	Quarter Current Year 2016-07-01 - 2016-09-30	Quarter Previous Year 2015-07-01 - 2015-09-30
Profit or loss [abstract]				
Profit (loss) [abstract]				
Revenue	10,154,018,000	7,318,511,000	3,836,227,000	2,360,414,000
Cost of sales	4,317,164,000	3,278,252,000	1,698,335,000	1,028,771,000
Gross profit	5,836,854,000	4,040,259,000	2,137,892,000	1,331,643,000
Distribution costs	0	0	0	0
Administrative expenses	5,254,775,000	3,649,493,000	1,793,690,000	1,225,193,000
Other income	0	424,246,000	0	26,048,000
Other expense	526,990,000	0	4,792,000	0
Profit (loss) from operating activities	55,089,000	815,012,000	339,410,000	132,498,000
Finance income	17,440,000	138,557,000	7,104,000	100,302,000
Finance costs	3,605,774,000	2,457,835,000	836,417,000	1,284,141,000
Share of profit (loss) of associates and joint ventures accounted for using equity method	(4,924,000)	0	(4,924,000)	0
Profit (loss) before tax	(3,538,169,000)	(1,504,266,000)	(494,827,000)	(1,051,341,000)
Tax income (expense)	(993,713,000)	(375,664,000)	(43,986,000)	(283,223,000)
Profit (loss) from continuing operations	(2,544,456,000)	(1,128,602,000)	(450,841,000)	(768,118,000)
Profit (loss) from discontinued operations	0	0	0	0
Profit (loss)	(2,544,456,000)	(1,128,602,000)	(450,841,000)	(768,118,000)
Profit (loss), attributable to [abstract]				
Profit (loss), attributable to owners of parent	(2,546,304,000)	(1,128,602,000)	(450,841,000)	(768,118,000)
Profit (loss), attributable to non-controlling interests	1,848,000	0	0	0
Earnings per share [text block]	-0.13	-0.12	-0.02	-0.08
Earnings per share [abstract]				
Earnings per share [line items]				
Basic earnings per share [abstract]				
Basic earnings (loss) per share from continuing operations	(0.13)	(0.12)	(0.02)	(0.08)
Basic earnings (loss) per share from discontinued operations	0	0	0	0
Total basic earnings (loss) per share	(0.13)	(0.12)	(0.02)	(0.08)
Diluted earnings per share [abstract]				
Diluted earnings (loss) per share from continuing operations	(0.13)	(0.12)	(0.02)	(0.08)
Diluted earnings (loss) per share from discontinued operations	0	0	0	0
Total diluted earnings (loss) per share	(0.13)	(0.12)	(0.02)	(0.08)

[410000] Statement of comprehensive income, OCI components presented net of tax

Concept	Accumulated Current Year 2016-01-01 - 2016-09-30	Accumulated Previous Year 2015-01-01 - 2015-09-30	Quarter Current Year 2016-07-01 - 2016-09-30	Quarter Previous Year 2015-07-01 - 2015-09-30
Statement of comprehensive income [abstract]				
Profit (loss)	(2,544,456,000)	(1,128,602,000)	(450,841,000)	(768,118,000)
Other comprehensive income [abstract]				
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax [abstract]				
Other comprehensive income, net of tax, gains (losses) from investments in equity instruments	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on revaluation	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans	0	0	0	0
Other comprehensive income, net of tax, change in fair value of financial liability attributable to change in credit risk of liability	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on hedging instruments that hedge investments in equity instruments	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss, net of tax	0	0	0	0
Total other comprehensive income that will not be reclassified to profit or loss, net of tax	0	0	0	0
Components of other comprehensive income that will be reclassified to profit or loss, net of tax [abstract]				
Exchange differences on translation [abstract]				
Gains (losses) on exchange differences on translation, net of tax	7,213,000	0	857,000	0
Reclassification adjustments on exchange differences on translation, net of tax	0	0	0	0
Other comprehensive income, net of tax, exchange differences on translation	7,213,000	0	857,000	0
Available-for-sale financial assets [abstract]				
Gains (losses) on remeasuring available-for-sale financial assets, net of tax	0	0	0	0
Reclassification adjustments on available-for-sale financial assets, net of tax	0	0	0	0
Other comprehensive income, net of tax, available-for-sale financial assets	0	0	0	0
Cash flow hedges [abstract]				
Gains (losses) on cash flow hedges, net of tax	0	0	0	0
Reclassification adjustments on cash flow hedges, net of tax	0	0	0	0
Amounts removed from equity and included in carrying amount of non-financial asset (liability) whose acquisition or incurrence was hedged highly probable forecast transaction, net of tax	0	0	0	0
Other comprehensive income, net of tax, cash flow hedges	0	0	0	0
Hedges of net investment in foreign operations [abstract]				
Gains (losses) on hedges of net investments in foreign operations, net of tax	0	0	0	0
Reclassification adjustments on hedges of net investments in foreign operations, net of tax	0	0	0	0
Other comprehensive income, net of tax, hedges of net investments in foreign operations	0	0	0	0
Change in value of time value of options [abstract]				
Gains (losses) on change in value of time value of options, net of tax	0	0	0	0
Reclassification adjustments on change in value of time value of options, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of time value of options	0	0	0	0
Change in value of forward elements of forward contracts [abstract]				
Gains (losses) on change in value of forward elements of forward contracts, net of tax	0	0	0	0
Reclassification adjustments on change in value of forward elements of forward contracts, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of forward elements of forward contracts	0	0	0	0

Concept	Accumulated Current Year 2016-01-01 - 2016-09-30	Accumulated Previous Year 2015-01-01 - 2015-09-30	Quarter Current Year 2016-07-01 - 2016-09-30	Quarter Previous Year 2015-07-01 - 2015-09-30
Change in value of foreign currency basis spreads [abstract]				
Gains (losses) on change in value of foreign currency basis spreads, net of tax	0	0	0	0
Reclassification adjustments on change in value of foreign currency basis spreads, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of foreign currency basis spreads	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, net of tax	0	0	0	0
Total other comprehensive income that will be reclassified to profit or loss, net of tax	7,213,000	0	857,000	0
Total other comprehensive income	7,213,000	0	857,000	0
Total comprehensive income	(2,537,243,000)	(1,128,602,000)	(449,984,000)	(768,118,000)
Comprehensive income attributable to [abstract]				
Comprehensive income, attributable to owners of parent	(2,539,091,000)	(1,128,602,000)	(449,984,000)	(768,118,000)
Comprehensive income, attributable to non-controlling interests	1,848,000	0	0	0

[520000] Statement of cash flows, indirect method

Concept	Accumulated Current Year 2016-01-01 - 2016-09-30	Accumulated Previous Year 2015-01-01 - 2015-09-30
Statement of cash flows [abstract]		
Cash flows from (used in) operating activities [abstract]		
Profit (loss)	(2,544,456,000)	(1,128,602,000)
Adjustments to reconcile profit (loss) [abstract]		
Discontinued operations	0	0
Adjustments for income tax expense	(993,713,000)	(375,664,000)
Adjustments for finance costs	1,547,354,000	811,157,000
Adjustments for depreciation and amortisation expense	2,759,350,000	1,976,550,000
Adjustments for impairment loss (reversal of impairment loss) recognised in profit or loss	(51,553,000)	0
Adjustments for provisions	26,406,000	0
Adjustments for unrealised foreign exchange losses (gains)	1,871,051,000	1,536,905,000
Adjustments for share-based payments	0	0
Adjustments for fair value losses (gains)	0	0
Adjustments for undistributed profits of associates	0	0
Adjustments for losses (gains) on disposal of non-current assets	3,643,000	(256,189,000)
Participation in associates and joint ventures	4,924,000	0
Adjustments for decrease (increase) in inventories	(51,802,000)	12,351,000
Adjustments for decrease (increase) in trade accounts receivable	232,671,000	(585,835,000)
Adjustments for decrease (increase) in other operating receivables	(256,299,000)	113,948,000
Adjustments for increase (decrease) in trade accounts payable	(210,451,000)	349,944,000
Adjustments for increase (decrease) in other operating payables	150,155,000	(62,700,000)
Other adjustments for non-cash items	104,976,000	128,201,000
Other adjustments for which cash effects are investing or financing cash flow	15,021,000	0
Straight-line rent adjustment	0	0
Amortization of lease fees	0	0
Setting property values	0	0
Other adjustments to reconcile profit (loss)	0	0
Total adjustments to reconcile profit (loss)	5,151,733,000	3,648,668,000
Net cash flows from (used in) operations	2,607,277,000	2,520,066,000
Dividends paid	0	0
Dividends received	0	0
Interest paid	0	0
Interest received	0	0
Income taxes refund (paid)	209,329,000	100,510,000
Other inflows (outflows) of cash	0	0
Net cash flows from (used in) operating activities	2,397,948,000	2,419,556,000
Cash flows from (used in) investing activities [abstract]		
Cash flows from losing control of subsidiaries or other businesses	0	0
Cash flows used in obtaining control of subsidiaries or other businesses	0	0
Other cash receipts from sales of equity or debt instruments of other entities	0	0
Other cash payments to acquire equity or debt instruments of other entities	0	0
Other cash receipts from sales of interests in joint ventures	0	0
Other cash payments to acquire interests in joint ventures	0	0
Proceeds from sales of property, plant and equipment	(3,643,000)	129,122,000
Purchase of property, plant and equipment	2,268,545,000	1,538,716,000
Proceeds from sales of intangible assets	0	0
Purchase of intangible assets	907,402,000	0
Proceeds from sales of other long-term assets	0	0

Concept	Accumulated Current Year 2016-01-01 - 2016-09-30	Accumulated Previous Year 2015-01-01 - 2015-09-30
Purchase of other long-term assets	0	0
Proceeds from government grants	0	0
Cash advances and loans made to other parties	0	0
Cash receipts from repayment of advances and loans made to other parties	0	0
Cash payments for future contracts, forward contracts, option contracts and swap contracts	0	0
Cash receipts from future contracts, forward contracts, option contracts and swap contracts	0	0
Dividends received	0	0
Interest paid	0	0
Interest received	0	0
Income taxes refund (paid)	0	0
Other inflows (outflows) of cash	477,393,000	(42,850,000)
Net cash flows from (used in) investing activities	(2,702,197,000)	(1,452,444,000)
Cash flows from (used in) financing activities [abstract]		
Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control	0	0
Payments from changes in ownership interests in subsidiaries that do not result in loss of control	0	0
Proceeds from issuing shares	0	0
Proceeds from issuing other equity instruments	0	0
Payments to acquire or redeem entity's shares	0	0
Payments of other equity instruments	0	0
Proceeds from borrowings	15,752,897,000	0
Repayments of borrowings	14,981,349,000	0
Payments of finance lease liabilities	318,731,000	299,715,000
Proceeds from government grants	0	0
Dividends paid	0	0
Interest paid	2,107,651,000	1,107,598,000
Income taxes refund (paid)	0	0
Other inflows (outflows) of cash	999,000	0
Net cash flows from (used in) financing activities	(1,653,835,000)	(1,407,313,000)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(1,958,084,000)	(440,201,000)
Effect of exchange rate changes on cash and cash equivalents [abstract]		
Effect of exchange rate changes on cash and cash equivalents	137,274,000	234,233,000
Net increase (decrease) in cash and cash equivalents	(1,820,810,000)	(205,968,000)
Cash and cash equivalents at beginning of period	2,575,222,000	2,697,835,000
Cash and cash equivalents at end of period	754,412,000	2,491,867,000

[610000] Statement of changes in equity - Accumulated Current

	Components of equity [axis]								
Sheet 1 of 3	Issued capital [member]	Share premium [member]	Treasury shares [member]	Retained earnings [member]	Revaluation surplus [member]	Reserve of exchange differences on translation [member]	Reserve of cash flow hedges [member]	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments [member]	Reserve of change in value of time value of options [member]
Statement of changes in equity [line items]									
Equity at beginning of period	6,861,986,000	644,710,000	0	(3,381,898,000)	0	0	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	(2,546,304,000)	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	7,213,000	0	0	0
Total comprehensive income	0	0	0	(2,546,304,000)	0	7,213,000	0	0	0
Issue of equity	3,500,346,000	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	(66,545,000)	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	3,500,346,000	0	0	(2,612,849,000)	0	7,213,000	0	0	0
Equity at end of period	10,362,332,000	644,710,000	0	(5,994,747,000)	0	7,213,000	0	0	0

	Components of equity [axis]								
Sheet 2 of 3	Reserve of change in value of forward elements of forward contracts [member]	Reserve of change in value of foreign currency basis spreads [member]	Reserve of gains and losses on remeasuring available-for-sale financial assets [member]	Reserve of share-based payments [member]	Reserve of remeasurements of defined benefit plans [member]	Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale [member]	Reserve of gains and losses from investments in equity instruments [member]	Reserve of change in fair value of financial liability attributable to change in credit risk of liability [member]	Reserve for catastrophe [member]
Statement of changes in equity [line items]									
Equity at beginning of period	0	0	0	0	(4,973,000)	0	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	0	0	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	(29,607,000)	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	(29,607,000)	0	0	0	0
Equity at end of period	0	0	0	0	(34,580,000)	0	0	0	0

Sheet 3 of 3	Components of equity [axis]						
	Reserve for equalisation [member]	Reserve of discretionary participation features [member]	Other comprehensive income [member]	Other reserves [member]	Equity attributable to owners of parent [member]	Non-controlling interests [member]	Equity [member]
Statement of changes in equity [line items]							
Equity at beginning of period	0	0	0	(4,973,000)	4,119,825,000	0	4,119,825,000
Changes in equity [abstract]							
Comprehensive income [abstract]							
Profit (loss)	0	0	0	0	(2,546,304,000)	1,848,000	(2,544,456,000)
Other comprehensive income	0	0	0	7,213,000	7,213,000	0	7,213,000
Total comprehensive income	0	0	0	7,213,000	(2,539,091,000)	1,848,000	(2,537,243,000)
Issue of equity	0	0	0	0	3,500,346,000	0	3,500,346,000
Dividends recognised as distributions to owners	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	(29,607,000)	(96,152,000)	(1,844,000)	(97,996,000)
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	(22,394,000)	865,103,000	4,000	865,107,000
Equity at end of period	0	0	0	(27,367,000)	4,984,928,000	4,000	4,984,932,000

[610000] Statement of changes in equity - Accumulated Previous

	Components of equity [axis]								
Sheet 1 of 3	Issued capital [member]	Share premium [member]	Treasury shares [member]	Retained earnings [member]	Revaluation surplus [member]	Reserve of exchange differences on translation [member]	Reserve of cash flow hedges [member]	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments [member]	Reserve of change in value of time value of options [member]
Statement of changes in equity [line items]									
Equity at beginning of period	6,728,342,000	644,710,000	0	(1,663,543,000)	0	0	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	(1,128,602,000)	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	0	(1,128,602,000)	0	0	0	0	0
Issue of equity	71,478,000	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	71,478,000	0	0	(1,128,602,000)	0	0	0	0	0
Equity at end of period	6,799,820,000	644,710,000	0	(2,792,145,000)	0	0	0	0	0

	Components of equity [axis]								
Sheet 2 of 3	Reserve of change in value of forward elements of forward contracts [member]	Reserve of change in value of foreign currency basis spreads [member]	Reserve of gains and losses on remeasuring available-for-sale financial assets [member]	Reserve of share-based payments [member]	Reserve of remeasurements of defined benefit plans [member]	Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale [member]	Reserve of gains and losses from investments in equity instruments [member]	Reserve of change in fair value of financial liability attributable to change in credit risk of liability [member]	Reserve for catastrophe [member]
Statement of changes in equity [line items]									
Equity at beginning of period	0	0	0	0	(3,791,000)	0	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	0	0	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	0	0	0	0	0
Equity at end of period	0	0	0	0	(3,791,000)	0	0	0	0

	Components of equity [axis]						
Sheet 3 of 3	Reserve for equalisation [member]	Reserve of discretionary participation features [member]	Other comprehensive income [member]	Other reserves [member]	Equity attributable to owners of parent [member]	Non-controlling interests [member]	Equity [member]
Statement of changes in equity [line items]							
Equity at beginning of period	0	0	0	(3,791,000)	5,705,718,000	0	5,705,718,000
Changes in equity [abstract]							
Comprehensive income [abstract]							
Profit (loss)	0	0	0	0	(1,128,602,000)	0	(1,128,602,000)
Other comprehensive income	0	0	0	0	0	0	0
Total comprehensive income	0	0	0	0	(1,128,602,000)	0	(1,128,602,000)
Issue of equity	0	0	0	0	71,478,000	0	71,478,000
Dividends recognised as distributions to owners	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	(1,057,124,000)	0	(1,057,124,000)
Equity at end of period	0	0	0	(3,791,000)	4,648,594,000	0	4,648,594,000

[700000] Informative data about the Statement of financial position

Concept	Close Current Quarter 2016-09-30	Close Previous Exercise 2015-12-31
Informative data of the Statement of Financial Position [abstract]		
Capital stock (nominal)	10,362,332,000	6,681,986,000
Restatement of capital stock	0	0
Plan assets for pensions and seniority premiums	429,325,000	28,231,000
Number of executives	261	168
Number of employees	6,706	5,792
Number of workers	1,009	1,041
Outstanding shares	19,229,939,531	9,456,140,156
Repurchased shares	0	0
Restricted cash	151,807,000	0
Guaranteed debt of associated companies	0	0

[700002] Informative data about the Income statement

Concept	Accumulated Current Year 2016-01-01 - 2016-09-30	Accumulated Previous Year 2015-01-01 - 2015-09-30	Quarter Current Year 2016-07-01 - 2016-09-30	Quarter Previous Year 2015-07-01 - 2015-09-30
Informative data of the Income Statement [abstract]				
Operating depreciation and amortization	2,759,350,000	1,976,550,000	979,800,000	674,227,000

[700003] Informative data - Income statement for 12 months

Concept	Current Year 2015-10-01 - 2016-09-30	Previous Year 2014-10-01 - 2015-09-30
Informative data - Income Statement for 12 months [abstract]		
Revenue	12,985,944,000	9,701,044,000
Profit (loss) from operating activities	(150,769,000)	661,507,000
Profit (loss)	(3,134,206,000)	(2,156,633,000)
Profit (loss), attributable to owners of parent	(3,136,054,000)	(2,156,633,000)
Operating depreciation and amortization	(3,401,368,000)	(2,894,271,000)

[800001] Breakdown of credits

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis]											
					Domestic currency [member]						Foreign currency [member]					
					Time interval [axis]						Time interval [axis]					
					Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]
Banks [abstract]																
Foreign trade																
Bancomext	NO	2013-12-19	2024-01-17	L + 3.00 = 3.68							18,525,000	92,626,000	185,252,000	259,353,000	333,453,000	2,778,779,000
TOTAL	NO				0	0	0	0	0	0	18,525,000	92,626,000	185,252,000	259,353,000	333,453,000	2,778,779,000
Banks - secured																
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0
Commercial banks																
BBVA Bancomer	NO	2016-06-06	2017-09-25	Fija 3.40	0	0	0	0	0	0	0	9,750,000	0	0	0	0
BBVA Bancomer 2	NO	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	404,959,000	0	0	0	0	0	0	0	0
CitiBank	NO	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	404,959,000	0	0	0	0	0	0	0	0
BBVA Bancomer 3	NO	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	404,959,000	0	0	0	0	0	0	0	0
Banorte	NO	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	404,959,000	0	0	0	0	0	0	0	0
JP Morgan	NO	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	404,959,000	0	0	0	0	0	0	0	0
Santander	NO	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	370,549,000	0	0	0	0	0	0	0	0
Export Development Canada	SI	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	370,549,000	0	0	0	0	0	0	0	0
Bank of Tokyo	NO	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	1,058,712,000	0	0	0	0	0	0	0	0
HSBC	NO	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	247,033,000	0	0	0	0	0	0	0	0
Banc of Nova Scotia	NO	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	176,452,000	0	0	0	0	0	0	0	0
Sabadell	NO	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	441,130,000	0	0	0	0	0	0	0	0
Morgan Stanley	SI	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	70,581,000	0	0	0	0	0	0	0	0
Monex	NO	2016-01-15	2019-01-15	T + 2.00 = 6.60	0	0	0	158,791,000	211,721,000	105,908,000	0	0	0	0	0	0
BBVA Bancomer 4	NO	2016-01-15	2021-01-15	T + 2.25 = 6.85	0	0	0	158,791,000	211,721,000	105,908,000	0	0	0	0	0	0
Banorte 2	NO	2016-01-15	2021-01-15	T + 2.25 = 6.85	0	0	0	152,910,000	203,880,000	101,986,000	0	0	0	0	0	0
Banc of Nova Scotia 2	NO	2016-01-15	2021-01-15	T + 2.25 = 6.85	0	0	0	29,406,000	39,208,000	19,613,000	0	0	0	0	0	0
Sabadell 2	NO	2016-01-15	2021-01-15	T + 2.25 = 6.85	0	0	0	0	0	0	0	0	0	344,469,000	459,292,000	229,749,000
Citibank 2	NO	2016-01-15	2021-01-15	L + 2.50 = 3.18	0	0	0	0	0	0	0	0	0	168,985,000	225,313,000	112,707,000
BBVA Bancomer 5	NO	2016-01-15	2021-01-15	L + 2.50 = 3.18	0	0	0	0	0	0	0	0	0	168,985,000	225,313,000	112,707,000
Banorte 3	NO	2016-01-15	2021-01-15	L + 2.50 =	0	0	0	0	0	0	0	0	0	344,469,000	459,292,000	229,749,000

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis]											
					Domestic currency [member]						Foreign currency [member]					
					Time interval [axis]						Time interval [axis]					
					Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]
				3.18												
JP Morgan 2	SI	2016-01-15	2021-01-15	L + 2.50 = 3.18	0	0	0	0	0	0	0	0	0	344,469,000	459,292,000	229,749,000
Santander 2	NO	2016-01-15	2021-01-15	L + 2.50 = 3.18	0	0	0	0	0	0	0	0	0	389,965,000	519,953,000	260,094,000
Bank of America	SI	2016-01-15	2021-01-15	L + 2.50 = 3.18	0	0	0	0	0	0	0	0	0	389,965,000	519,953,000	260,094,000
ING	SI	2016-01-15	2021-01-15	L + 2.50 = 3.18	0	0	0	0	0	0	0	0	0	253,477,000	337,970,000	169,061,000
Export Development Canada 2	SI	2016-01-15	2021-01-15	L + 2.50 = 3.18	0	0	0	0	0	0	0	0	0	220,980,000	294,640,000	147,386,000
Bank of Tokyo 2	SI	2016-01-15	2021-01-15	L + 2.50 = 3.18	0	0	0	0	0	0	0	0	0	259,977,000	346,636,000	173,396,000
Mizuho	SI	2016-01-15	2021-01-15	L + 2.50 = 3.18	0	0	0	0	0	0	0	0	0	259,977,000	346,636,000	173,396,000
Comerica	SI	2016-01-15	2021-01-15	L + 2.50 = 3.18	0	0	0	0	0	0	0	0	0	64,994,000	86,659,000	43,349,000
Sabadell 3	NO	2016-01-15	2021-01-15	L + 2.50 = 3.18	0	0	0	0	0	0	0	0	0	38,996,000	51,995,000	26,009,000
Monex 2	NO	2016-01-15	2021-01-15	L + 2.50 = 3.18	0	0	0	0	0	(209,334,000)	0	0	0	0	0	0
TOTAL	NO				0	0	0	5,259,699,000	666,530,000	124,081,000	0	9,750,000	0	3,249,708,000	4,332,944,000	2,167,446,000
Other banks																
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0
Total banks																
TOTAL	NO				0	0	0	5,259,699,000	666,530,000	124,081,000	18,525,000	102,376,000	185,252,000	3,509,061,000	4,666,397,000	4,946,225,000
Stock market [abstract]																
Listed on stock exchange - unsecured																
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0
Listed on stock exchange - secured																
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0
Private placements - unsecured																
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0
Private placements - secured																
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0
Total listed on stock exchanges and private placements																
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0
Other current and non-current liabilities with cost [abstract]																
Other current and non-current liabilities with cost																
OTROS PASIVOS CON COSTO	NO				56,394,000	129,424,000	169,825,000	170,482,000	528,000	0	56,817,000	144,706,000	65,291,000	4,505,000	0	0
TOTAL	NO				56,394,000	129,424,000	169,825,000	170,482,000	528,000	0	56,817,000	144,706,000	65,291,000	4,505,000	0	0
Total other current and non-current liabilities with cost																
TOTAL	NO				56,394,000	129,424,000	169,825,000	170,482,000	528,000	0	56,817,000	144,706,000	65,291,000	4,505,000	0	0
Suppliers [abstract]																
Suppliers																
PROVEEDORES VARIOS	NO				1,474,367,000	0	0	0	0	0	2,117,701,000	0	0	0	0	0
TOTAL	NO				1,474,367,000	0	0	0	0	0	2,117,701,000	0	0	0	0	0

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis] – Domestic currency [member] – Time interval [axis] – Current year [member]	Domestic currency – Until 1 year [member]	Domestic currency – Until 2 years [member]	Domestic currency – Until 3 years [member]	Domestic currency – Until 4 years [member]	Domestic currency – Until 5 years or more [member]	Foreign currency [member] – Time interval [axis] – Current year [member]	Foreign currency – Until 1 year [member]	Foreign currency – Until 2 years [member]	Foreign currency – Until 3 years [member]	Foreign currency – Until 4 years [member]	Foreign currency – Until 5 years or more [member]
Total suppliers																
TOTAL	NO				1,474,367,000	0	0	0	0	0	2,117,701,000	0	0	0	0	0
Other current and non-current liabilities [abstract]																
Other current and non-current liabilities																
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0
Total other current and non-current liabilities																
TOTAL	NO				0	0	0	0	0	0	0	0	0	0	0	0
Total credits																
TOTAL	NO				1,530,761,000	129,424,000	169,825,000	5,430,181,000	667,058,000	124,081,000	2,193,043,000	247,082,000	250,543,000	3,513,566,000	4,666,397,000	4,946,225,000

[800003] Annex - Monetary foreign currency position

	Currencies [axis]				
	Dollars [member]	Dollar equivalent in pesos [member]	Other currencies equivalent in dollars [member]	Other currencies equivalent in pesos [member]	Total pesos [member]
Foreign currency position [abstract]					
Monetary assets [abstract]					
Current monetary assets	42,198,000	822,869,000	0	0	822,869,000
Non-current monetary assets	839,000	16,361,000	0	0	16,361,000
Total monetary assets	43,037,000	839,230,000	0	0	839,230,000
Liabilities position [abstract]					
Current liabilities	125,133,000	2,440,125,000	0	0	2,440,125,000
Non-current liabilities	685,979,000	13,376,731,000	0	0	13,376,731,000
Total liabilities	811,112,000	15,816,856,000	0	0	15,816,856,000
Net monetary assets (liabilities)	(768,075,000)	(14,977,626,000)	0	0	(14,977,626,000)

[800005] Annex - Distribution of income by product

	Income type [axis]			
	National income [member]	Export income [member]	Income of subsidiaries abroad [member]	Total income [member]
MASS MARKET				
FTTH	1,438,902,000	0	0	1,438,902,000
Wireless	915,521,000	0	0	915,521,000
TELECOM				
Data and Internet	2,188,725,000	0	0	2,188,725,000
Managed Networks	2,256,757,000	0	0	2,256,757,000
Voice	1,984,700,000	17,904,000	0	2,002,604,000
IT				
IT	1,351,509,000	0	0	1,351,509,000
TOTAL	10,136,114,000	17,904,000	0	10,154,018,000

[800007] Annex - Financial derivate instruments

Management discussion about the policy uses of financial derivate instruments, explaining if these policies are allowed just for coverage or for other uses like trading [text block]

Derivatives Policy

Axtel, S.A.B. de C.V. (" The Company or Axtel ")'s internal policy is to contract derivative instruments to mitigate primarily exchange and interest rate risk exposure with respect to our foreign currency obligations or commitments contracted in currencies different than the Mexican peso.

The strategy of the Company depends on the particular risk to be hedged, in accordance to the established policy. We prefer instruments that comply with IFRS of the International Financial Information Rules as hedge instruments, although other instruments can be considered also as long as such instruments reduce Axtel's risks against its foreign currency exposure. Once defined the type of financial instrument to be used, the Company deals with international counterparties on the Over the Counter market ("OTC"). The Counterparty must have investment grade by the major rating agencies or met Axtel's internal Treasury policies. The Company requests at least two quotes from counterparties. These are compared and analyzed under the parameters of the Financial Information Standard (IFRS), and then the most competitive is selected. All the operations must be authorized by the ALFA´s risk management committee.

The valuation agents are established in the contract of financial derivative instruments or International Swap Derivatives Association, ("ISDA") and their schedules. These documents contain the terms and conditions and the required documentation for each transaction, such as: payment dates, calculation agent, defaults, currency of delivery, margin calls and applicable legislation among others. In order to determine the mark to market on a specific date, the Company realizes their own valuations extracting economic information from specialized sources such as Reuters, Bloomberg, Banxico's web page, and other financial institutions.

During the 3st quarter 2016 no hedge transactions were traded by the company, so at the end of the 3st quarter 2016 the company has no operations of derivative financial instruments outstanding.

Margin calls, collateral and credit lines.

Margins calls and collaterals are established also in the ISDA agreement. These are established by the counterparties depending on the authorized credit lines and determined threshold limits. The Company does not operate with counterparties that do not offer reasonable lines relative to the size of the transaction closed. A transaction is not negotiated with a counterparty that does not offer a sufficient line related to that specific hedge.

Procedures of internal control

Once the transaction is closed the counterparty sends a confirmation which specifies the terms and conditions of the deal to the Company. The Company´s Treasury department ("Treasury") reviews it and sends it to the Accounting department for its proper registration.

In order to keep control over each transaction, on a monthly basis, Treasury executes valuations to determine the mark to market and the effectiveness of the derivative instruments. These valuations are performed with tests established in the IFRS. Once these valuations are made, the information is passed along to the Accounting department for proper registration in the books. On a quarterly basis, our external auditors review the above mentioned records applying their own valuation and calculation methods.

External Review

At the date of this report, an independent third party has not been hired to review those procedures. However, the external auditors of the Company have reviewed and reported in each fiscal year, the compliance with internal controls.

General description about valuation techniques, standing out the instruments valuated at cost or fair value, just like methods and valuation techniques [text block]

Valuation Techniques

The valuation of derivative instruments with hedging purposes is realized using its fair value method.

It should be noted that because such assessments are made above according to international standards IFRS, the market value registered by the company include counterparty risk, for that reason and in case the market value is in favor of Axtel (asset) this includes the CDS (Credit Default Swap)of the counterparty, and if the market value is in favor of the counterparty (liability) the record includes counterparty risk in the record Axtel (Z-spread).

With the purpose of monitoring the effectiveness of derivatives with hedging purposes, prospective (analysis of linear regression) and retrospectives (periodic or accumulated compensation) tests are realized using statistical samples of market variables (interest and exchange rates), in accordance to the IFRS. This technique allows the monitoring of the derivative instruments' performance and the likelihood that a particular derivative instrument could not be treated as a hedge instrument in the future.

Axtel prepares its own valuations, which is compared against the counterparty's valuation. If there is a significant difference, further clarification is requested.

In order to determine the effectiveness of the hedging, the method of periodic compensation is used.

At least once a year, the external auditors of the Company review the derivative instruments accounting records and validate their effectiveness in accordance with the IFRS.

Management discussion about intern and extern sources of liquidity that could be used for attending requirements related to financial derivate instruments [text block]

Sources of Liquidity.

The Company does not currently have lines of credit for this type of instruments.

Changes and management explanation in principal risk exposures identified, as contingencies and events known by the administration that could affect future reports [text block]

As of September 30, 2016, the Company had no derivative instruments contracted:

Quantitative information for disclosure [text block]

Quantitative Information (figures expressed in thousands except that another reference is indicated).

As of September 30, 2016, the Company had no derivative instruments contracted:

Sensibility analysis:

No sensibility tests were performed due to there are no derivative financial instruments operations at the end of the 3st Quarter of 2016.

[800100] Notes - Subclassifications of assets, liabilities and equities

Concept	Close Current Quarter 2016-09-30	Close Previous Exercise 2015-12-31
Subclassifications of assets, liabilities and equities [abstract]		
Cash and cash equivalents [abstract]		
Cash [abstract]		
Cash on hand	0	0
Balances with banks	228,718,000	0
Total cash	228,718,000	0
Cash equivalents [abstract]		
Short-term deposits, classified as cash equivalents	525,694,000	2,575,222,000
Short-term investments, classified as cash equivalents	0	0
Other banking arrangements, classified as cash equivalents	0	0
Total cash equivalents	525,694,000	2,575,222,000
Other cash and cash equivalents	0	0
Total cash and cash equivalents	754,412,000	2,575,222,000
Trade and other current receivables [abstract]		
Current trade receivables	3,856,445,000	2,893,017,000
Current receivables due from related parties	23,872,000	0
Current prepayments [abstract]		
Current advances to suppliers	1,253,000	52,648,000
Current prepaid expenses	786,273,000	0
Total current prepayments	787,526,000	52,648,000
Current receivables from taxes other than income tax	758,745,000	577,438,000
Current value added tax receivables	758,745,000	577,438,000
Current receivables from sale of properties	0	0
Current receivables from rental of properties	0	0
Other current receivables	174,908,000	255,210,000
Total trade and other current receivables	5,601,496,000	3,778,313,000
Classes of current inventories [abstract]		
Current raw materials and current production supplies [abstract]		
Current raw materials	0	0
Current production supplies	0	0
Total current raw materials and current production supplies	0	0
Current merchandise	0	0
Current work in progress	0	0
Current finished goods	0	0
Current spare parts	0	0
Property intended for sale in ordinary course of business	0	0
Other current inventories	145,056,000	53,069,000
Total current inventories	145,056,000	53,069,000
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners [abstract]		
Non-current assets or disposal groups classified as held for sale	0	0
Non-current assets or disposal groups classified as held for distribution to owners	0	0
Total non-current assets or disposal groups classified as held for sale or as held for distribution to owners	0	0
Trade and other non-current receivables [abstract]		
Non-current trade receivables	0	0
Non-current receivables due from related parties	0	0
Non-current prepayments	0	0
Non-current lease prepayments	0	0
Non-current receivables from taxes other than income tax	0	0

Concept	Close Current Quarter 2016-09-30	Close Previous Exercise 2015-12-31
Non-current value added tax receivables	0	0
Non-current receivables from sale of properties	0	0
Non-current receivables from rental of properties	0	0
Revenue for billing	0	0
Other non-current receivables	52,244,000	128,613,000
Total trade and other non-current receivables	52,244,000	128,613,000
Investments in subsidiaries, joint ventures and associates [abstract]		
Investments in subsidiaries	0	0
Investments in joint ventures	0	0
Investments in associates	11,499,000	8,212,000
Total investments in subsidiaries, joint ventures and associates	11,499,000	8,212,000
Property, plant and equipment [abstract]		
Land and buildings [abstract]		
Land	481,899,000	167,331,000
Buildings	923,321,000	99,003,000
Total land and buildings	1,405,220,000	266,334,000
Machinery	0	0
Vehicles [abstract]		
Ships	0	0
Aircraft	0	0
Motor vehicles	47,721,000	34,631,000
Total vehicles	47,721,000	34,631,000
Fixtures and fittings	0	0
Office equipment	78,764,000	49,532,000
Tangible exploration and evaluation assets	0	0
Mining assets	0	0
Oil and gas assets	0	0
Construction in progress	2,098,364,000	1,118,284,000
Construction prepayments	0	0
Other property, plant and equipment	16,139,085,000	11,747,398,000
Total property, plant and equipment	19,769,154,000	13,216,179,000
Investment property [abstract]		
Investment property completed	0	0
Investment property under construction or development	0	0
Investment property prepayments	0	0
Total investment property	0	0
Intangible assets and goodwill [abstract]		
Intangible assets other than goodwill [abstract]		
Brand names	68,499,000	0
Intangible exploration and evaluation assets	0	0
Mastheads and publishing titles	0	0
Computer software	309,932,000	0
Licences and franchises	95,260,000	103,700,000
Copyrights, patents and other industrial property rights, service and operating rights	0	0
Recipes, formulae, models, designs and prototypes	0	0
Intangible assets under development	0	0
Other intangible assets	1,076,128,000	21,294,000
Total intangible assets other than goodwill	1,549,819,000	124,994,000
Goodwill	419,536,000	0
Total intangible assets and goodwill	1,969,355,000	124,994,000
Trade and other current payables [abstract]		
Current trade payables	3,592,068,000	2,676,819,000

Concept	Close Current Quarter 2016-09-30	Close Previous Exercise 2015-12-31
Current payables to related parties	401,308,000	0
Accruals and deferred income classified as current [abstract]		
Deferred income classified as current	312,602,000	509,415,000
Rent deferred income classified as current	0	0
Accruals classified as current	21,279,000	0
Short-term employee benefits accruals	21,279,000	0
Total accruals and deferred income classified as current	333,881,000	509,415,000
Current payables on social security and taxes other than income tax	1,101,227,000	1,149,704,000
Current value added tax payables	1,101,227,000	1,149,704,000
Current retention payables	0	0
Other current payables	0	0
Total trade and other current payables	5,428,484,000	4,335,938,000
Other current financial liabilities [abstract]		
Bank loans current	120,901,000	130,000,000
Stock market loans current	0	0
Other current iabilities at cost	387,341,000	375,656,000
Other current liabilities no cost	0	0
Other current financial liabilities	113,802,000	545,208,000
Total Other current financial liabilities	622,044,000	1,050,864,000
Trade and other non-current payables [abstract]		
Non-current trade payables	0	0
Non-current payables to related parties	2,102,000	0
Accruals and deferred income classified as non-current [abstract]		
Deferred income classified as non-current	0	0
Rent deferred income classified as non-current	0	0
Accruals classified as non-current	0	0
Total accruals and deferred income classified as non-current	0	0
Non-current payables on social security and taxes other than income tax	0	0
Non-current value added tax payables	0	0
Non-current retention payables	0	0
Other non-current payables	0	0
Total trade and other non-current payables	2,102,000	0
Other non-current financial liabilities [abstract]		
Bank loans non-current	19,357,245,000	0
Stock market loans non-current	0	11,930,215,000
Other non-current liabilities at cost	410,631,000	545,735,000
Other non-current liabilities no cost	0	65,222,000
Other non-current financial liabilities	0	0
Total Other non-current financial liabilities	19,767,876,000	12,541,172,000
Other provisions [abstract]		
Other non-current provisions	0	0
Other current provisions	67,813,000	0
Total other provisions	67,813,000	0
Other reserves [abstract]		
Revaluation surplus	0	0
Reserve of exchange differences on translation	7,214,000	0
Reserve of cash flow hedges	0	0
Reserve of gains and losses on hedging instruments that hedge investments in equity instruments	0	0
Reserve of change in value of time value of options	0	0
Reserve of change in value of forward elements of forward contracts	0	0
Reserve of change in value of foreign currency basis spreads	0	0
Reserve of gains and losses on remeasuring available-for-sale financial assets	0	0

Concept	Close Current Quarter 2016-09-30	Close Previous Exercise 2015-12-31
Reserve of share-based payments	0	0
Reserve of remeasurements of defined benefit plans	(34,581,000)	(4,973,000)
Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale	0	0
Reserve of gains and losses from investments in equity instruments	0	0
Reserve of change in fair value of financial liability attributable to change in credit risk of liability	0	0
Reserve for catastrophe	0	0
Reserve for equalisation	0	0
Reserve of discretionary participation features	0	0
Reserve of equity component of convertible instruments	0	0
Capital redemption reserve	0	0
Merger reserve	0	0
Statutory reserve	0	0
Other comprehensive income	0	0
Total other reserves	(27,367,000)	(4,973,000)
Net assets (liabilities) [abstract]		
Assets	32,381,310,000	22,506,077,000
Liabilities	27,396,378,000	18,386,252,000
Net assets (liabilities)	4,984,932,000	4,119,825,000
Net current assets (liabilities) [abstract]		
Current assets	6,760,864,000	6,804,527,000
Current liabilities	7,196,439,000	5,816,849,000
Net current assets (liabilities)	(435,575,000)	987,678,000

[800200] Notes - Analysis of income and expense

Concept	Accumulated Current Year 2016-01-01 - 2016-09-30	Accumulated Previous Year 2015-01-01 - 2015-09-30	Quarter Current Year 2016-07-01 - 2016-09-30	Quarter Previous Year 2015-07-01 - 2015-09-30
Analysis of income and expense [abstract]				
Revenue [abstract]				
Revenue from rendering of services	10,154,018,000	7,318,511,000	3,836,227,000	2,360,414,000
Revenue from sale of goods	0	0	0	0
Interest income	0	0	0	0
Royalty income	0	0	0	0
Dividend income	0	0	0	0
Rental income	0	0	0	0
Revenue from construction contracts	0	0	0	0
Other revenue	0	0	0	0
Total revenue	10,154,018,000	7,318,511,000	3,836,227,000	2,360,414,000
Finance income [abstract]				
Interest income	14,175,000	30,444,000	5,777,000	8,896,000
Net gain on foreign exchange	0	0	0	0
Gains on change in fair value of derivatives	0	0	0	0
Gain on change in fair value of financial instruments	0	0	0	0
Other finance income	3,265,000	108,113,000	1,327,000	91,406,000
Total finance income	17,440,000	138,557,000	7,104,000	100,302,000
Finance costs [abstract]				
Interest expense	1,551,237,000	920,930,000	275,221,000	333,381,000
Net loss on foreign exchange	1,871,051,000	1,536,905,000	482,534,000	950,760,000
Losses on change in fair value of derivatives	0	0	0	0
Loss on change in fair value of financial instruments	0	0	0	0
Other finance cost	183,486,000	0	78,662,000	0
Total finance costs	3,605,774,000	2,457,835,000	836,417,000	1,284,141,000
Tax income (expense)				
Current tax	85,921,000	74,900,000	15,676,000	3,949,000
Deferred tax	(1,079,634,000)	(450,564,000)	(59,662,000)	(287,172,000)
Total tax income (expense)	(993,713,000)	(375,664,000)	(43,986,000)	(283,223,000)

[800500] Notes - List of notes

Disclosure of notes and other explanatory information [text block]

The unaudited consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", see section 813000.

Disclosure of associates [text block]

Company name: Conectividad Inalámbrica 7GHz S. de R.L.

Activity: Telecommunications services

Current balance: Ps11,499.

Disclosure of business combinations [text block]

a. ***Corporate restructuring***

As mentioned in Significant Events, on February 15, 2016 the merger between Axtel, S.A.B. de C.V. (Axtel) y Onexa, S.A. de C.V. (Onexa) took effect. On the same date, Axtel became a subsidiary of Alfa, S.A.B. de C.V., who will retain approximately 51% stake in the combined entity, while the remaining 49% is owned by the shareholders of Axtel before the merger.

As a result of the merger, Alestra's net assets have been included in the consolidated financial statements of the Company at their book value before the merger.

b. ***Proforma financial information***

The proforma unaudited consolidated financial information presented below is based on the consolidated financial statements of Axtel, S.A.B de C.V. and subsidiaries and in the consolidated financial statements of Alestra, S. de R.L. de C.V. and Subsidiaries as of December 31, 2015 and for the nine months period ended September 30, 2015, adjusted to give effect to the above-described corporate restructuring.

The proforma unaudited consolidated financial information is presented for illustrative purposes only and does not necessarily reflect the financial position or operating results if the corporate restructuring had actually occurred on that date, or future operating results.

Proforma Consolidated Statements of Financial Position
UNAUDITED
As of December 31, 2015

		AXTEL	ALESTRA	PROFORMA ADJUSTMENTS	PROFORMA FIGURES
Current assets	$	6,804,526	2,395,793	(499)	9,199,820
Property, systems and equipment, net		13,216,179	6,523,246	-	19,739,425
Intangible assets and other non-current assets		2,485,371	1,526,586	(4,643)	4,007,314
Total assets	$	22,506,076	10,445,625	(5,142)	32,946,559
Current liabilities	$	5,704,507	3,076,116	(5,142)	8,775,481
Lomg-term debt		12,504,870	3,210,041	-	15,714,911
Other non-current liabilities		176,873	681,031	-	857,904
Total liabilities		18,386,250	6,967,188	(5,142)	25,348,296

Stockholders' equity		4,119,826	3,478,437	-	7,598,263
Total liabilities and stockholders' equity	$	22,506,076	10,445,625	(5,142)	32,946,559

Proforma Consolidated Statements of Comprehensive Income

UNAUDITED

Nine-month period ended September 30, 2015

		AXTEL	ALESTRA	PROFORMA ADJUSTMENTS	PROFORMA FIGURES
Telephone services and related revenues	$	7,318,511	4,502,751	(14,821)	11,806,441
Cost of sales and operating expenses		(6,503,498)	(3,419,247)	14,821	(9,907,924)
Operating income		815,013	1,083,504	-	1,898,517
Interest expense, net		(890,488)	(96,421)	-	(986,909)
Foreign Exchange loss, net		(1,536,904)	(600,176)	-	(2,137,080)
Change in the fair value of financial instruments		108,113	-	-	108,113
Net finance costs		(2,319,279)	(696,597)	-	(3,015,876)
Equity in loss of associated company		-	(155)	-	(155)
Income before income taxes		(1,504,266)	386,752	-	(1,117,514)
Income taxes		375,663	(102,049)	-	273,614
Net (loss) income	$	(1,128,603)	284,703	-	(843,900)

Proforma financial information is not indicative of the results of Axtel had reported consolidated if the corporate restructuring had been completed on the date indicated, and should not be taken as representative of the financial position or results of operations in future operations.

Disclosure of debt instruments [text block]

As of September 30, 2016, the consolidated indebtedness of the Company, contemplated financial covenants in the following relevant transaction:

Three and five-year-syndication agreement with final maturity dates on January 2019 and January 2021, respectively, which includes a leverage ratio and an interest coverage ratio.

Currently the Company is in compliance with all covenants

Disclosure of general information about financial statements [text block]

Axtel, S.A.B. de C.V. and Subsidiaries (AXTEL and/or The Company) was incorporated in México as a corporation. The corporate address of the Company is Blvd. Díaz Ordaz km 3.33 L-1, Colonia Unidad San Pedro, 66215 San Pedro Garza García, Nuevo León, Mexico.

The Company's consolidated financial statements for the period ended September 2016 and the year December 31, 2015, includes The Company and subsidiaries (collectively referred as "the Company" and individually as "entities of the Company")

The Company is engaged in operating and/or exploiting a public telecommunication network to provide voice, sound, data, text, and image conducting services, and local, domestic and international long-distance calls and pay-tv services. A concession is required to provide these services and carry out the related activities.

Disclosure of issued capital [text block]

As of September 30, 2016, the common stock of the Company is Ps 10,362,332 and consists of 19,229,939,531 shares issued and outstanding. Company's shares are divided in two Series: Series A and B; both Series have two type of classes, Class "I" and Class "II", with no par value. Of the total shares, 195,501,312 are series A and 19,034,438,219 series B. At September 30, 2016 the Company has issued only Class "I".

Disclosure of summary of significant accounting policies [text block]

The information presented in the unaudited consolidated financial statements of the Company was prepared according to the same accounting policies as in the annual financial statements for the year ended December 31, 2015.

[800600] Notes - List of accounting policies

Disclosure of summary of significant accounting policies [text block]

The information presented in the unaudited consolidated financial statements of the Company was prepared according to the same accounting policies as in the annual financial statements for the year ended December 31, 2015.

[813000] Notes - Interim financial reporting

Disclosure of interim financial reporting [text block]

The unaudited consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The information presented in the unaudited consolidated financial statements of the Company was prepared according to the same accounting policies as in the annual financial statements for the year ended December 31, 2015.

During the interim period ended September 30, 2016 and the year ended December 31, 2015 there were no corrections of prior period errors and changes in business or economic circumstances that affect the fair value of financial assets and liabilities financial statements of the Company. In addition there were no transactions seasonal or cyclical nature affecting the interim period and comparability.

There were no changes in estimates of amounts reported in prior interim periods of the financial statements.

At the reporting date of these financial statements there are no events after the interim period that have not been reflected in the financial statements for that interim period.

Description of significant events and transactions

a. On January 15, 2016, Axtel and Onexa held Extraordinary Shareholders' Meetings, where the merger was approved and the members of the Board, the Director General and the Audit and Corporate Practices was designated. On February 15, 2016 the merger took effect once all approvals and conditions established in the agreements signed by all parties were met, including the acquisition of a loan by Axtel, to prepay its outstanding bonds. On the same date, Axtel became a subsidiary of Alfa, S.A.B. de C.V., who will retain approximately 51% stake in the combined entity, while the remaining 49% is owned by the shareholders of Axtel before the merger.

   As a result of the merger, the Company issued new shares, and Alestra will remain as part of the consolidated Alfa group, so the date of the merger, the net assets of Alestra have been incorporated in the consolidated financial statements of the Company at their book values before the merger. To date, the Company is in the process of reviewing the carrying value of net assets received. This analysis will be completed within a maximum period of twelve months from the date of the merger.

b. On January 15, 2016, the Company signed a credit facility of US 500 million and Ps. 4,759 million pesos to refinance all senior notes maturing in 2017, 2018 and 2020. Redemption became effective on February 19, 2016. The new loan matures in full in January 2019 for the portion in pesos and quarterly principal payments from April 2018 until February 2021 for the dollar portion, and has an interest rate of TIIE + 2% in the first year, TIIE + 2.25% in the second and TIIE + 2.5% in the third, for the portion in pesos; and initial interest rate of Libor + 2.50% which increased to Libor + 3.00% for the portion in dollars.

c. On January 2016, the Company paid in full the promissory note with Banco Nacional de Mexico, S.A. whereby, he received a loan of Ps. 130.000 and which generated interest at a rate of TIIE + 3.5 basis points annually.

d. During April 2016, the Company obtained an additional portion of the credit facility referred to in paragraph b), in the amount of $ 1.500 million to refinance short-term debt. This portion has a maturity of 5 years, quarterly principal payments starting 2018 and interest rate of TIIE + 2.25%, which will increase to TIIE + 2.75%.

e. During the second quarter of 2016, the Company acquired 49% of Estratel, Mexican company specializing in the integration of IT solutions for business and government.

   Alestra had acquired 51% Estratel in May 2015 to boost its offering of IT solutions and communication in the West, Bajio and Southeast regions of the country.

   Estratel generates annual revenues of 250 million dollars, has a presence in the cities of Guadalajara, Queretaro, Merida, Campeche, Chetumal, Mexico and Monterrey, and has a dedicated team of more than 100 employees.

Description of accounting policies and methods of computation followed in interim financial statements [text block]

The information presented in the unaudited consolidated financial statements of the Company was prepared according to the same accounting policies as in the annual financial statements for the year ended December 31, 2015.

Dividends paid, ordinary shares

0

Dividends paid, other shares

0

Dividends paid, ordinary shares per share

0

Dividends paid, other shares per share

0

Explanation of events after interim period that have not been reflected

Subsequent events

On October 5 2016, the Company obtained a bank credit for Ps.400 million pesos due in full on September 29, 2017 with an annual interest rate of 6.92%.

Explanation of effect of changes in composition of entity during interim period

See note "Business Combination" section 800500

Description of compliance with IFRSs if applied for interim financial report

See section "Disclosure of interim financial reporting "