4th Quarter 2017

San Pedro Garza Garcia, Mexico, February 12, 2018 - Axtel, S.A.B. de C.V. ("Axtel" or "the Company"), a Mexican Information and Communications Technology company, announced today its unaudited fourth quarter results ended December 31, 2017(1). Axtel is a subsidiary of Alfa S.A.B. de C.V. ("ALFA").

	Q4	Q3	Q4	(%) 4Q17 vs.		LTM'17	LTM'16	LTM
Million Pesos	2017	2017	2016	3Q17	4Q16			Δ%
Revenues(2)	4,286	3,764	3,783	14%	13%	15,513	13,937	11%
EBITDA(5)	1,450	1,317	910	10%	59%	5,451	3,673	48%
EBITDA Margin	33.8%	35.0%	24.1%	- 118 bps	+ 977 bps	35.1%	26.4%	33.3%
Net (loss) Income	-923	-632	-1,055	-46%	12%	62	-3,599	n.a.
Capital Expenditures	784	748	885	5%	-11%	3,032	4,065	-25%
Net Debt	19,201	18,723	20,095	3%	-4%			
Net Debt / EBITDA(6)	3.4x	4.0x	4.6x					

Note: *Figures shown throughout the document include Alestra S. de R.L. de C.V. and its subsidiaries ("Alestra") as of February 15, 2016.*

Highlights:

- Fourth quarter results validated Axtel's commitment to the strategy put in place after the merger; continue delivering IT and Telecom solutions to enterprise and government clients with the highest quality and service standards. Quarterly revenues increased 13% year-over-year mainly due to an 18% increase in Enterprise and Government segment revenues; finishing off a strong year where revenues and EBITDA increased 5% and 38% respectively, compared to pro forma 2016, providing a solid base for 2018.

- In the fourth quarter, Axtel successfully executed its refinancing strategy, issuing a US$500 million, 7-year bond and, in December, receiving a Ps. 6,000 million 5-year loan. Proceeds from these two transactions were used to prepay the existing syndicated bank loan. This refinancing extended the average life of the Company's debt to over 5 years and provided further covenant flexibility, while maintaining the peso/dollar debt mix.

- During the quarter, Axtel executed the third phase of its Tower Sale agreement with American Towers Corporation, receiving Ps. 345 million in net proceeds. Axtel also continued supplying infrastructure and services to ALTAN under its vendor agreement, working towards completing the Red Compartida's population coverage goal of 30% by March 2018.

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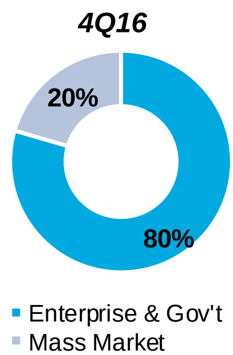
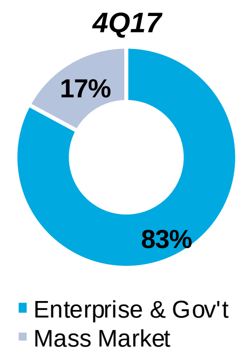
Revenues

Million Pesos	Q4 2017	Q3 2017	Q4 2016	(%) 4Q17 vs. Q3 2017	(%) 4Q17 vs. Q4 2016	LTM'17	LTM'16	LTM Δ%
ENTERPRISE	2,612	2,482	2,451	5%	7%	9,945	8,784	13%
GOVERNMENT	941	540	558	74%	69%	2,571	2,024	27%
MASS MARKET	733	742	775	-1%	-5%	2,996	3,130	-4%
TOTAL	**4,286**	**3,764**	**3,783**	**14%**	**13%**	**15,513**	**13,937**	**11%**

Note: Figures shown throughout the document include Alestra as of February 15, 2016.





FTTx proportion within the revenue mix decreased from 14% in 4Q16 to 13% in 4Q17; wireless declined from 7% to 4%; Enterprise decreased from 65% to 61% and Government rose from 15% to 22%.

Total revenues for the fourth quarter 2018 reached Ps. 4,286 million, compared to Ps. 3,783 million in the same period in 2016, a 13% increase, mainly due to a 7% and 69% increases in the Enterprise and Government segment respectively, partially mitigated by a 5% decline in the mass market segment.

Enterprise

Million Pesos	Q4 2017	Q3 2017	Q4 2016	(%) 4Q17 vs. Q3 2017	(%) 4Q17 vs. Q4 2016	LTM'17	LTM'16	LTM Δ%
TELECOM	**2,260**	**2,207**	**2,207**	**2%**	**2%**	**8,822**	**7,980**	**11%**
Voice	*558*	*563*	*627*	*-1%*	*-11%*	*2,343*	*2,511*	*-7%*
Data and Internet	*936*	*887*	*832*	*6%*	*12%*	*3,487*	*2,838*	*23%*
Managed Networks	*766*	*757*	*747*	*1%*	*2%*	*2,993*	*2,630*	*14%*
IT	**353**	**275**	**243**	**28%**	**45%**	**1,123**	**804**	**40%**
TOTAL ENTERPRISE	**2,612**	**2,482**	**2,451**	**5%**	**7%**	**9,945**	**8,784**	**13%**

Quarterly revenues totaled Ps. 2,612 million, compared to Ps. 2,451 million in the same period in 2016, a 7% increase, mainly due to an increase in IT revenues.

Telecom revenues in the fourth quarter increased 2% compared to the fourth quarter in the previous year, mainly due to a 12% increase in *data and Internet* revenues due to strong demand for dedicated internet from existing enterprise customers, mitigated by an 11% decline in v*oice* revenues due to reductions in fix-to-mobile and international long distance revenues. *Managed networks* increased 2% year over year, as a 10% decline in managed services was compensated with 11% and 16% increases in Ethernet and Collaboration solutions, respectively.

IT revenues increased 45% year-over-year, mainly due to a significant increase in *systems integration* and positive performances from *hosting*, *security* and *cloud services.*

Government

Million Pesos	Q4 2017	Q3 2017	Q4 2016	(%) 4Q17 vs. Q3 2017	(%) 4Q17 vs. Q4 2016	LTM'17	LTM'16	LTM Δ%
TELECOM	**581**	**352**	**247**	**65%**	**>100%**	**1,593**	**923**	**73%**
Voice	*40*	*36*	*36*	*12%*	*12%*	*166*	*156*	*7%*
Data and Internet	*103*	*100*	*100*	*3%*	*3%*	*374*	*350*	*7%*
Managed Networks	*438*	*217*	*111*	*>100%*	*>100%*	*1,053*	*417*	*>100%*
IT	**360**	**187**	**311**	**92%**	**16%**	**979**	**1,101**	**-11%**
TOTAL GOVERNMENT	**941**	**540**	**558**	**74%**	**69%**	**2,571**	**2,024**	**27%**

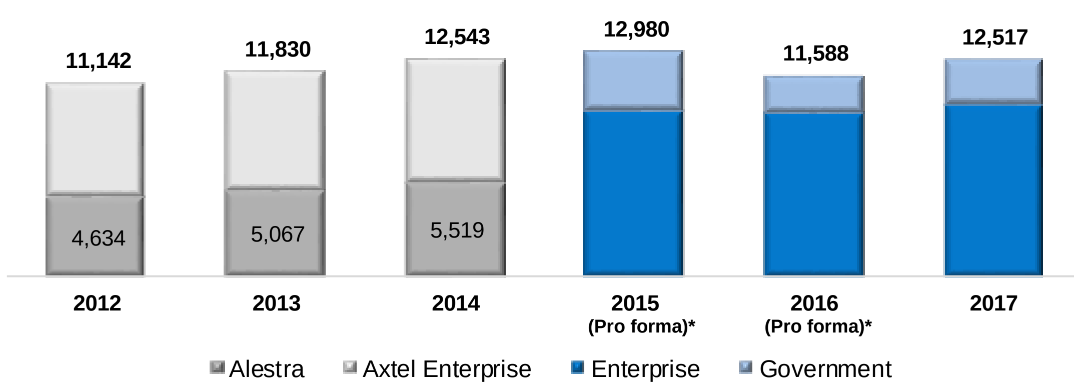
Government segment revenues amounted to Ps. 941 million in the fourth quarter of 2017, compared to Ps. 558 million in the same period in 2016, a 69% increase mainly due to a rise in Telecom revenues. Recurrent revenues totaled Ps. 518 million in the fourth quarter of 2017, a 14% increase compared to the same period in 2016.

Telecom revenues increased 135%. *Voice revenues* increased 12% and *data and internet* increased 3%. *Managed networks* increased 295% due to increase in VPN solutions and to a strong increase in non-recurrent managed services to federal entities.

IT revenues rose 16%, mainly due to a 29% increase in *system integration* services and 43% increase in managed applications.

Enterprise and Government Segment Evolution

(Revenues in MPs.)



* *Pro forma figures include Alestra as of the beginning of each year.*

Mass Market *(2)*

Million Pesos	Q4 2017	Q3 2017	Q4 2016	(%) 4Q17 vs. Q3 2017	(%) 4Q17 vs. Q4 2016	LTM'17	LTM'16	LTM Δ%
FTTx	576	566	520	2%	11%	2,245	1,959	15%
Legacy Technologies	157	176	255	-10%	-38%	751	1,170	-36%
TOTAL MASS MARKET	**733**	**742**	**775**	**-1%**	**-5%**	**2,996**	**3,130**	**-4%**

Quarterly revenues declined 5%:

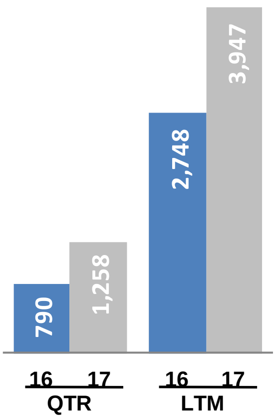
FTTx revenues totaled Ps. 576 million in the fourth quarter of 2017, compared to Ps. 520 million for same period in 2016, representing an 11% increase in line with a 13% increase in customers. Voice revenues increased 10% resulting from a 15% increase in monthly rent revenues. Internet revenues increased 13%, while video revenues maintained their 2016 levels.

Legacy technologies revenues amounted to Ps. 157 million in the fourth quarter of 2017, a 38% decrease compared the same period in 2016, explained by a 44% decline in customers.

Cost of revenues and Operating and Other expenses

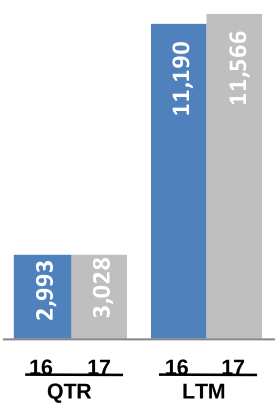
Note: Figures include Alestra as of February 15, 2016.

Cost of Revenues
(in MPs.)



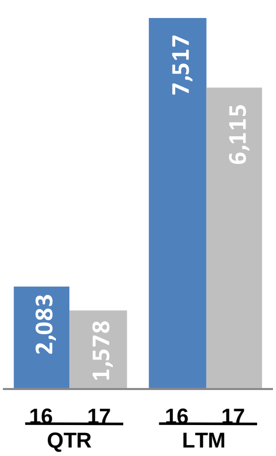
Cost of revenues[3]. For the three month period ended December 31, 2017, the cost of revenues represented Ps. 1,258 million, a 59% or Ps. 468 million increase compared to the same period of year 2016, mainly due to increases in *Telecom Managed Networks* costs from the Government segment and *IT* costs. In addition, as part of the homologation accounting process between Axtel and Alestra, costs that were previously classified as operating expenses related to billing, collection and maintenance directly associated with customers are being recorded as costs as of 2017. This adjustment represents a year-over-year increase of Ps. 122 million in the quarter.

Gross Profit
(in MPs.)



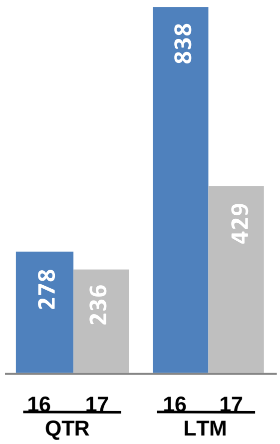
Gross Profit**.** Gross profit is defined as revenues minus cost of revenues. For the fourth quarter of 2017, the gross profit accounted for Ps. 3,028 million, representing a 1% increase compared to the same period in year 2016, mainly due to increases in IT revenues and Telecom *Managed Networks* and *Data and Internet* revenues, mitigated by a decline in the margins of these services coming from the Government segment. Gross profit margin declined from 79% to 71% year-over-year due to larger proportion of non-recurring revenues which carry a lower margin compared to recurring revenues.

Expenses
(in MPs.)



Operating and other expenses[4]. In the fourth quarter of 2017, total expenses reached Ps. 1,578 million, 24% lower than the expenses recorded in the same period in 2016, mainly due to the positive effect of Ps. 345 million in other income related to the third phase of the tower sale recorded during the quarter and a 3% decline in operating expenses. Total expenses excluding the benefit from the tower sale transaction and also non-recurring merger expenses declined 6% compared to fourth quarter of 2016, reflecting the benefits from the merger synergies that compensated increases due to higher revenues and inflation adjustments.

Merger Expenses
(in MPs.)

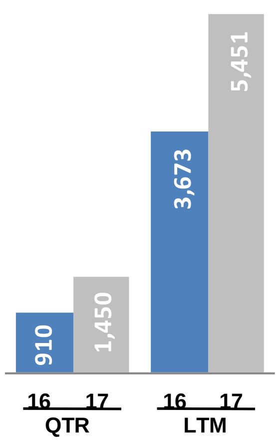


Merger expenses, EBITDA, Operating income (loss)

Note: Figures include Alestra as of February 15, 2016.

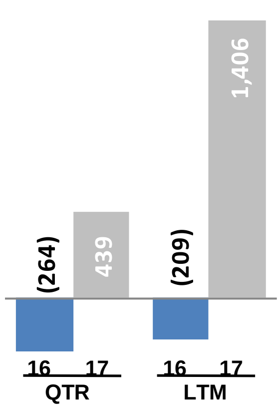
***Merger and integration expenses*.** For the fourth quarter 2017 expenses related to the Axtel-Alestra merger totaled Ps. 236 million, compared to Ps. 278 million in the year-earlier quarter. For the twelve month period ended December 31, 2017, merger expenses totaled Ps. 429 million, the most relevant being severance payments.

EBITDA
(in MPs.)



***EBITDA*[5].** For the fourth quarter of 2017, EBITDA reached Ps. 1,450 million, a 59% increase from the same period in 2016. This figure includes Ps. 345 million of other income related to the closing of the third tranche of the tower sale; without this effect, EBITDA reached Ps. 1,105 million or 21% higher than the fourth quarter 2016. EBITDA without the benefit from the tower sale nor merger-related expenses increased 13% year-over-year.

Operating income (loss)
(in MPs.)



***Operating income (loss)*.** In the fourth quarter of 2017, operating income totaled Ps. 439 million, Ps. 703 million higher than the same quarter of last year, mainly due to the Ps. 345 million of other income registered this quarter related to the third phase of the tower sale, the increase in EBITDA and a decline in depreciation and amortization.

Comprehensive Financing Result

Million Pesos	Q4 2017	Q3 2017	Q4 2016	(%) 4Q17 vs. Q3 2017	(%) 4Q17 vs. Q4 2016	LTM'17	LTM'16	LTM Δ%
Net interest expense	(514)	(382)	(320)	34%	61%	(1,590)	(1,853)	14%
FX gain (loss), net	(1,217)	(238)	(908)	>100%	34%	648	(2,779)	n.a.
Ch. in FV of fin. Instruments	56	6	(41)	>100%	n.a.	27	(224)	n.a.
Total	**(1,675)**	**(614)**	**(1,268)**	**>100%**	**32%**	**(915)**	**(4,856)**	**81%**

The comprehensive financing cost reached Ps. 1,675 million in the fourth quarter of 2017, compared to Ps. 1,268 in the same period of 2016. This increase is explained mostly by a higher FX loss during the fourth quarter of 2017 due to an 8% depreciation of the Mexican peso, compared to a 6% depreciation of the Mexican peso in the fourth quarter of 2016 and a 63% increase in interest expenses due to rises in interest rates.

Total Debt and Net Debt (7)

Million Pesos	Q4 2017	Q3 2017	Q4 2016
Senior Notes 2024	9,868	-	-
Bank Facilities	6,109	15,359	16,592
Other loans	4,037	3,705	4,380
Other financing obligations	462	403	591
Accrued interests	146	139	133
Total Debt	**20,621**	**19,605**	**21,695**
(-) Cash and cash equivalents	(1,420)	(882)	(1,600)
Net Debt	**19,201**	**18,723**	**20,095**

Total Debt. At the end of the fourth quarter 2017, total debt decreased Ps. 1,074 million in comparison with fourth quarter 2016, mostly explained by (i) a Ps. 10,332 million increase related to the 2024 Senior Note; (ii) a Ps. 10,483 million decrease in Bank Facilities due to the prepayment of the syndicated bank facility; (iii) a Ps. 289 million decrease from other loans and financial leases; (vi) a Ps. 13 million increase in accrued interests and (v) a Ps. 647 million non-cash decrease caused by the 5% appreciation of the Mexican peso.

Cash. As of the end of the fourth quarter of 2017, the cash balance totaled Ps. 1,420 million, compared to Ps. 1,600 million a year ago, and Ps. 882 million at the beginning of the quarter. The cash balance at the end of the quarter includes Ps. 162 million restricted cash.

Capital Expenditures

In the fourth quarter of 2017, capital investments totaled Ps. 784 million, or US$41 million, compared to Ps. 885 million, or US$45 million, in the year-earlier quarter, an 11% decline in pesos. Capex for full-year 2017 reached Ps. 3,032 million, or US$160 million.

Appendix

Other important information

1) Financial information presented is 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 December 31, 2017 and 2016, and September 30, 2017; and twelve month period ending on December 31, 2017 and 2016, and
   - Balance sheet information as of December 31, 2017 and 2016; and September 30, 2017.

2) Mass market operating data:

In thousands	Q4 2017	Q3 2017	Q4 2016
FTTX			
Customers	263	253	233
RGUs	719	693	639
Lines in service	*332*	*317*	*281*
Broadband subscribers	*265*	*255*	*234*
Video subscribers	*122*	*121*	*124*
LEGACY TECHNOLOGIES			
Customers	116	135	207
RGUs	227	263	393
Lines in service	*129*	*150*	*226*
Broadband subscribers	*98*	*113*	*167*

* Revenue Generating Units, represent individual service subscriptions (line, broadband, video) which generate recurring revenues for the Company.

3) Costs of revenues include expenses related to the termination of customers' cellular and long distance calls in other carriers' networks, as well as expenses related to billing, payment processing, operator services and leasing of private circuit links. Costs that were previously classified as operating expenses related to billing, collection and maintenance directly associated with customers are being recorded as costs as of 2017.

4) Operating and other expenses are those incurred in connection with general and administrative matters, such as personnel, land and tower leases, sales and marketing, maintenance of our network and net other not recurrent expenses including merger and integration expenses.

5) EBITDA is defined as operating income (loss) before depreciation and amortization, and impairment of assets.

6) Net Debt to EBITDA ratio: Net debt translated into U.S. Dollars using the end-of-period exchange rate divided by the respective LTM pro forma EBITDA translated into U.S. Dollars using the average exchange rate for each month.

7) Total debt includes accrued interests for each period. Net debt is calculated subtracting cash and equivalents, including non-current restricted cash, from total debt.

8) As part of the merger agreement approved on the January 15, 2016 Extraordinary General Shareholder's Meeting, Alfa had the right to increase its ownership in Axtel by up to 2.5%, or the obligation to contribute cash to Axtel, depending on the average exchange rate of an 18-month period ending on July 14, 2017. Given that the average exchange rate of the period was above 18.50 pesos per dollar, Axtel transferred 1,019'287,950 Class "I" Series "B" shares to Alfa, equivalent to an additional participation of Alfa in Axtel of 2.5%. Resulting from this agreed-upon merger consideration, the number of outstanding, subscribed paid-up Class "I" Series "B" shares is 20,249,227,481 as of the date of this report. Please note seven Series "B" shares are equivalent to one AXTELCPO.

About AXTEL

Axtel is a Mexican Information and Communication Technology Company that serves the enterprise, government and residential markets with a robust portfolio of solutions through its brand Alestra (enterprise and government services) and its brand Axtel (residential and small businesses services).

With a network infrastructure of over 40 thousand kilometers of fiber and more than 7 thousand square meters of data center, Axtel enables organizations to be more productive and brings people together to improve their quality of life.

As of February 15, 2016, Axtel is a subsidiary of Alfa, which owns 53.5% of its equity.

Axtel shares, represented by Ordinary Participation Certificates, or CPOs, trade on the Mexican Stock Market under the symbol "AXTELCPO" since 2005.

Axtel's Investor Relations Center: www.axtelcorp.mx
Enterprise and Government services website: www.alestra.mx
Mass Market services website: www.axtel.mx

Axtel, S.A.B. de C.V. and Subsidiaries
Unaudited Consolidated Balance Sheet
(in Thousand Mexican pesos)

	Dec-17	Sep-17	Dec-16	(%) Dec-17 vs. Dec-16
ASSETS				
CURRENT ASSETS				
Cash and equivalents	1,257,803	721,797	1,447,118	(13)
Accounts receivable	2,679,833	3,204,734	3,129,046	(14)
Related parties	31,702	25,696	20,949	51
Refundable taxes and other accounts receivable	832,567	781,338	916,831	(9)
Advances to suppliers	485,732	547,883	517,456	(6)
Inventories	188,885	216,397	109,388	73
Financial Instruments	61,913	-	-	n.a.
Financial Instruments (Zero Strike Call)	164,278	187,746	152,978	7
Total current assets	**5,702,713**	**5,685,590**	**6,293,765**	**(9)**
NON CURRENT ASSETS				
Restricted cash	161,955	159,908	153,040	6
Property, plant and equipment, net	19,275,810	19,258,561	19,619,451	(2)
Long-term accounts receivable	-	-	8,642	n.a.
Intangible assets, net	1,508,512	1,531,669	1,838,727	(18)
Deferred income taxes	3,747,711	3,395,906	4,056,773	(8)
Investment in shares of associated co. & other	139,427	22,260	1,708	>100
Other assets	217,646	222,715	203,597	7
Total non current assets	**25,051,061**	**24,591,019**	**25,881,938**	**(3)**
TOTAL ASSETS	**30,753,774**	**30,276,609**	**32,175,703**	**(4)**
LIABILITIES & STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Account payable & Accrued expenses	3,881,152	3,423,677	3,183,091	22
Accrued Interest	145,681	139,241	132,815	10
Short-term debt	700,000	300,000	400,000	75
Current portion of long-term debt	533,253	434,440	495,773	8
Taxes payable	18,616	39,504	17,357	7
Deferred Revenue	312,121	284,416	1,022,982	(69)
Provisions	117,908	23,906	129,647	(9)
Other accounts payable	2,195,956	1,846,816	2,444,612	(10)
Total current liabilities	**7,904,687**	**6,492,001**	**7,826,276**	**1**
LONG-TERM LIABILITIES				
Long-term debt	19,043,736	18,617,083	20,485,861	(7)
Employee Benefits	588,696	540,628	467,036	26
Other LT liabilities	724,250	986,429	996,292	(27)
Total long-term debt	**20,356,682**	**20,144,140**	**21,949,190**	**(7)**
TOTAL LIABILITIES	**28,261,369**	**26,636,141**	**29,775,466**	**(5)**
STOCKHOLDERS EQUITY				
Capital stock	464,368	464,371	10,233,841	(95)
Additional paid-in capital	159,551	522,907	644,710	(75)
Reserve for repurchase of shares	-	-	-	n.a.
Cumulative earnings (losses)	1,868,480	2,653,190	(8,478,319)	n.a.
TOTAL STOCKHOLDERS' EQUITY	**2,492,405**	**3,640,468**	**2,400,237**	**4**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**30,753,774**	**30,276,609**	**32,175,703**	**(4)**

Axtel, S.A.B. de C.V. and Subsidiaries
Unaudited Consolidated Income Statement
(in Thousand Mexican pesos)

	4Q17	3Q17	4Q16	(%) 4Q17 vs. 3Q17	(%) 4Q17 vs. 4Q16	LTM'17	LTM'16	Δ%
Total Revenues	4,286,395	3,764,081	3,783,302	14	13	15,513,090	13,937,320	11
Operating cost and expenses								
Cost of sales and services	(1,258,151)	(904,076)	(790,408)	39	59	(3,947,167)	(2,747,613)	44
Selling, administrative and other expenses	(1,754,466)	(1,637,342)	(1,811,947)	7	(3)	(6,644,730)	(6,667,334)	(0)
Other income (expenses), net	176,017	94,723	(270,828)	86	n.a.	530,022	(849,372)	n.a.
Asset impairment	(1,535)	(7,725)	(104,348)	(80)	(99)	(11,724)	(52,794)	(78)
Depreciation and amortization Cost	(856,062)	(858,880)	(836,532)	(0)	2	(3,456,436)	(3,196,491)	8
Depreciation and amortization Expenses	(153,565)	(145,803)	(233,707)	5	(34)	(577,402)	(633,096)	(9)
	(3,847,762)	(3,459,104)	(4,047,769)	11	(5)	(14,107,437)	(14,146,700)	(0)
Operating income (loss)	438,633	304,977	(264,468)	44	n.a.	1,405,653	(209,379)	n.a.
Comprehensive financing result:								
Interest expense	(532,033)	(399,561)	(326,526)	33	63	(1,647,028)	(1,877,763)	(12)
Interest income	18,340	17,350	6,940	6	>100	56,699	24,381	>100%
Foreign exchange gain (loss), net	(1,216,743)	(238,407)	(907,628)	>100	34	648,280	(2,778,680)	n.a.
Change in fair value of fin. instruments	55,651	6,232	(40,852)	>100	n.a.	27,053	(224,338)	n.a.
Comprehensive financing result, net	(1,674,786)	(614,386)	(1,268,067)	>100	32	(914,996)	(4,856,400)	(81)
Equity in results of associated company	0	(0)	(265)	n.a.	n.a.	(0)	(5,189)	(100)
Income (loss) before income taxes,	(1,236,153)	(309,409)	(1,532,800)	>100	(19)	490,658	(5,070,968)	n.a.
Income taxes:								
Current	(25,503)	95,472	762	n.a.	n.a.	(115,834)	(85,160)	36
Deferred	338,641	(418,400)	477,230	n.a.	(29)	(312,650)	1,556,866	n.a.
Total income taxes	313,138	(322,928)	477,992	n.a.	(34)	(428,484)	1,471,706	n.a.
Net Income (Loss)	(923,015)	(632,337)	(1,054,807)	46	(12)	62,173	(3,599,262)	n.a.