

San Pedro Garza Garcia, Mexico, July 28, 2015 - Axtel, S.A.B. de C.V. ("AXTEL" or "the Company"), a leading Mexican fixed-line integrated telecommunications company, announced today its unaudited second quarter results ended June 30, 2015⁽¹⁾.

Million Pesos	Q2	Q2	2Q15/2Q14	Q1	LTM	
	2015	2014	Δ%	2015	jun-15	jun-14
Revenues ⁽²⁾	2,542	2,673	-5%	2,416	9,911	11,262
Costs ⁽³⁾	569	792	-28%	483	2,238	3,733
Operating Expenses ⁽⁴⁾	1,169	1,143	2%	1,150	4,530	4,563
Adjusted EBITDA ⁽⁵⁾	803	739	9%	783	3,143	2,966
Adj. EBITDA Margin	31.6%	27.6%	+ 397 bps	32.4%	31.7%	26.3%
Net (loss) Income	-537	-187	>100%	176	-1,833	-782
Earnings per CPO ⁽⁶⁾	-0.41	-0.14	>100%	0.13	-1.40	-0.60
Capital Expenditures	570	697	-18%	454	2,530	2,711
Net Debt / Adj EBITDA ⁽⁷⁾					2.9x	2.4x

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Highlights:

- ❖ During the second quarter, Axtel's core businesses, mass market and enterprise segments, recorded a strong 8% growth driven by increases in integrated services and data and network services to the enterprise segment and FTTH-based internet and video services to the mass market. Adjusted EBITDA showed positive results increasing 9% year-over-year and 3% on a sequential basis.
- ❖ In May, AXTEL and Telefonica Mexico signed an agreement to terminate disputes related to interconnection tariffs for the period 2005-2011, ending all pending regulatory disagreements with mobile operators.
- ❖ Axtel continues focused on executing its two key strategic initiatives, FTTH-based video and internet services to the mass market and ICT solutions to the enterprise segment, and is actively exploring industry consolidation opportunities.

Sources of Revenues

Million Pesos	2Q15/2Q14			LTM		
	Q2 2015	Q2 2014	Δ%	Q1 2015	jun-15	jun-14
Rents	554	595	-7%	564	2,325	2,405
Voice	290	391	-26%	275	1,350	1,705
Internet & Video	366	330	11%	355	1,413	1,208
Data & Network	509	474	8%	491	1,960	1,832
Int. Service & Eq. Sale	726	428	70%	538	1,856	2,575
Int'l. Traffic	41	372	-89%	133	692	1,185
Other	56	84	-33%	60	315	352
	2,542	2,673	-5%	2,416	9,911	11,262

Note: Due to the Telecommunications Reform, as of January 1st, 2015, domestic long distance charges were eliminated. Therefore, since the first quarter this year, revenue services previously reported under “local” and “long distance” categories have been re-grouped under two new categories: “rents” and “voice services”. Please see Page 11, Note 2 for more information and 2014 figures for these new categories.

Rents. Monthly rents revenues totaled Ps. 554 million in the second quarter of 2015, compared to Ps. 595 million for same period in 2014, representing a 7% decrease mainly due to a 7% decrease in the average number of lines in service. For the twelve month period ended June 30, 2015, rents revenues decreased 3% due to, among others, a 4% decline in the average number of lines in service.

Voice Services. Revenues amounted to Ps. 290 million in the second quarter of 2015, compared to Ps. 391 million in the same period in 2014, a 26% decrease. More than half of this decline is explained by decreases in revenues of domestic long distance calls to both fixed and mobile lines due to the elimination of domestic long distance charges in 2015. For the twelve month period ended June 30, 2015, voice revenues totaled Ps. 1,350 million compared to Ps. 1,705 million registered in 2014, a 21% decline also due to the elimination of domestic long distance charges.

Internet & Video. Quarterly revenues totaled Ps. 366 million, compared to Ps. 330 million in the same period in 2014, an 11% increase driven by a 55% increase in the pay-tv service and a 1% increase in mass market, or “on-demand” internet services revenues. During the twelve month period ended on June 30, 2015, internet and video services revenues totaled Ps. 1,413 million from Ps. 1,208 million registered in 2014, an increase of Ps. 205 million, or 17%.

Data & Network. Data and network revenues amounted to Ps. 509 million in the second quarter of 2015, compared to Ps. 474 million in the same period in 2014, an 8% or Ps. 36 million increase driven by a 19% increase in private lines and 3% increase in dedicated internet due to a stronger demand for these services by enterprise customers. During the twelve month period ended on June 30, 2015, data and network services revenues totaled Ps. 1,960 million from Ps. 1,832 million registered in 2014, a 7% increase.

Sources of Revenues

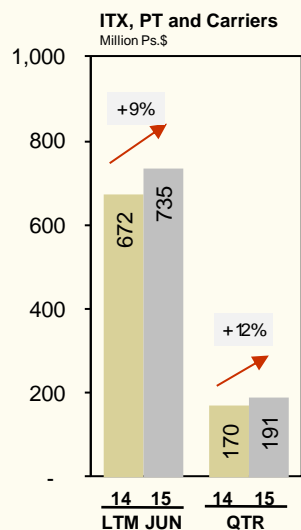
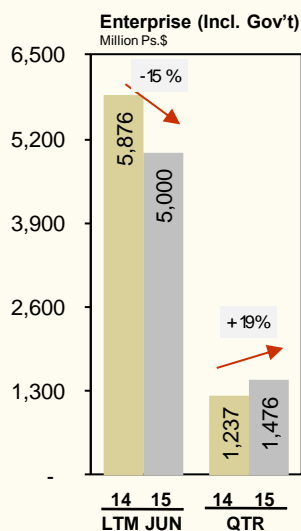
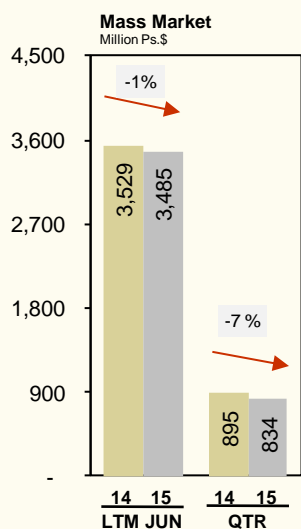
Million Pesos	2Q15/2Q14			LTM		
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Other	56	84	-33%	60	315	352
	2,542	2,673	-5%	2,416	9,911	11,262

Integrated Services & Equipment Sales. Quarterly revenues totaled Ps. 726 million in the second quarter of 2015, from Ps. 428 million in the same quarter of previous year, a 70% increase due to an extraordinary level of these type of services to federal government entities during the quarter. For the twelve month period ended June 30, 2015, revenues totaled Ps. 1,856 million from Ps. 2,575 million registered in 2014, a 28% decrease.

International traffic. In the second quarter of 2015, international traffic revenues totaled Ps. 41 million, a decrease of Ps. 331 million or 89% versus the same quarter of previous year, explained mainly by declines in both volume and prices of mobile calls and the elimination of transit traffic, or traffic that terminates in other countries and not in Mexico. For the twelve month period ended June 30, 2015, revenues from international traffic totaled Ps. 692 million from Ps. 1,185 million in the same period in 2014, a 42% decrease mainly explained by a decline in volume and prices of international mobile traffic.

Other services. Quarterly revenues from other services totaled Ps. 56 million in the second quarter of 2015, from Ps. 84 million in the same quarter of previous year, a 33% decrease due to declines in membership and interconnection revenues. For the twelve month period ended June 30, 2015, revenues totaled Ps. 315 million from Ps. 352 million registered in 2014, a decrease of Ps. 37 million, or 11%.

Revenues by segment *



Mass Market. Revenues totaled Ps. 834 million in the second quarter of 2015, a 7% decrease compared to the same quarter in 2014. This was mainly due to continued disconnections in wireless customers and elimination of domestic long distance charges which translated into 8% and 36% decreases in rents and voice revenues. The decline was partially compensated by a 12% increase in internet and video revenues. For the twelve month period ended June 30, 2015, revenues totaled Ps. 3,485 million, a 1% decrease compared to the same period in 2014.

Enterprise (including Government). Revenues for this segment amounted to Ps. 1,476 million in the three month period ended June 30, 2015, an increase of 19% versus the same period in 2014. This is mostly explained by a 71% increase in integrated services revenues due to an extraordinary large amount of these revenues to government entities; partially mitigated by a 29% decline in voice revenues mainly due to the elimination of national long distance charges. For the twelve month period ended June 30, 2015, revenues decreased 15% due to declines in voice and integrated services revenues.

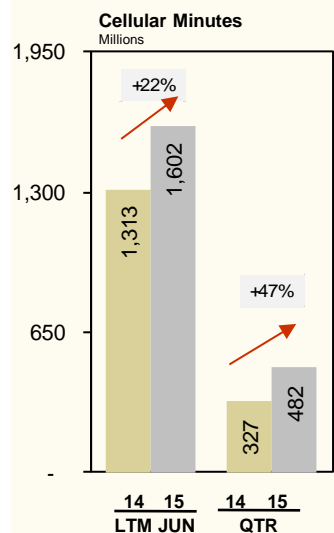
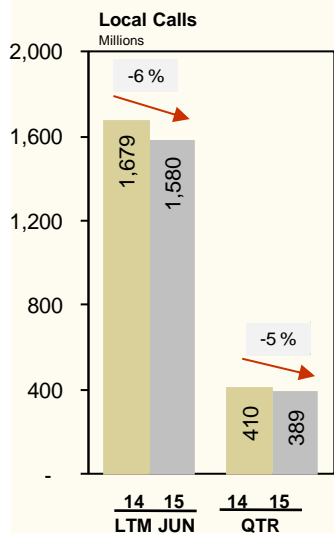
Interconnection, Public Telephony and Carriers. Revenues for this segment totaled Ps. 191 million in the second quarter 2015, a 12% increase compared to the same quarter in 2014 mainly due to increases in fix to mobile revenues and private lines revenues. For the twelve month period ended June 30, 2015, revenues reached Ps. 735 million, an increase of 9% compared to the same period in 2014.

(*) Excludes International Traffic

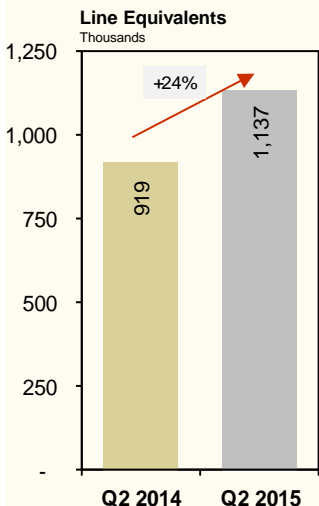
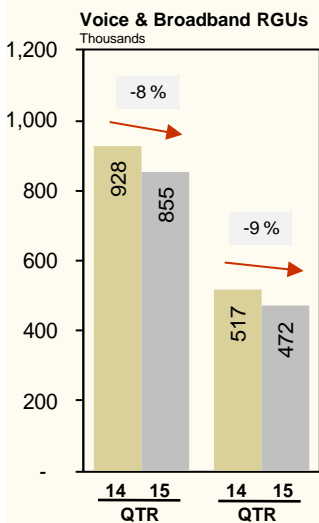
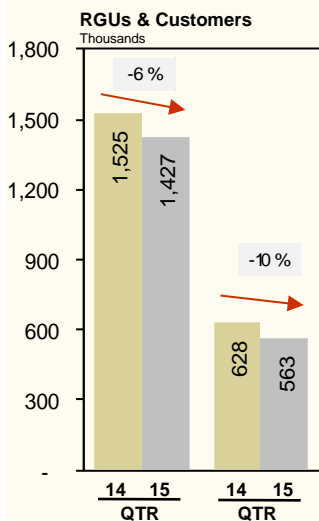
Consumption

Local Calls. Local calls totaled 389 million in the second quarter of 2015, compared to 410 million calls for the same period in 2014, representing a decrease of 5%. Billed local calls increased 90% due to certain volume of domestic long distance calls now being billed as local calls since the beginning of 2015. Local calls included in commercial offers decreased 21% and represented 71% of total calls in the second quarter of 2015. For the twelve month period ended June 30, 2015, local calls decreased 6% compared to the same period in 2014, due to a decrease in calls included in commercial offers.

Cellular (“Calling Party Pays”). Minutes of use of calls completed to a cellular line amounted to 482 million in the three month period ended June 30, 2015, compared to 327 million in the same period in 2014, a 47% increase. This was mainly due to a 63% increase in billed minutes related to 045 billed cellular minutes. Billed cellular minutes represented 89% of cellular minutes in the second quarter of 2015, compared to 80% in the year-earlier quarter. For the twelve month period ended June 30, 2015, cellular minutes increased 22% compared to the same period in 2014, mainly due to a 48% increase in billed 045 cellular minutes.



Operating Data



RGUs⁽⁸⁾ and Customers. As of June 30, 2015, RGUs (Revenue Generating Units) totaled 1,427 thousand. During the second quarter of 2015, there were 38 thousand net disconnections, compared to 7 thousand net additions in the second quarter of 2014 due to a greater number of wireless disconnections in 2015. As of June 30, 2015, customers totaled 563 thousand, a decline of 65 thousand from the same date in 2014. Total customers declined 25 thousand on a sequential basis.

Voice RGUs (lines in service). As of June 30, 2015, lines in service totaled 855 thousand. During the second quarter of 2015 and second quarter 2014, gross additional lines totaled 40 and 53 thousand respectively. Disconnections in the second quarter 2015 totaled 62 thousand compared to 49 thousand in the year-earlier quarter. Lines in service in the second quarter of 2015 decreased 22 thousand, compared to a decrease of 5 thousand in the same period of 2014. As of June 30, 2015, residential lines represented 56% of total lines in service.

Broadband RGUs (broadband subscribers). Broadband subscribers decreased 9% year-over-year totaling 472 thousand as of June 30, 2015. During the second quarter of 2015, broadband subscribers' net disconnections totaled 17 thousand compared to 3 thousand net additions in the same period of 2014, due to stronger disconnections of wireless subscribers this quarter. As of June 30, 2015, wireless broadband subs reached 284 thousand, compared to 353 thousand a year ago, while AXTEL X-tremo, or FTTH customers, totaled 188 thousand compared to 164 thousand a year ago. Broadband penetration has remained at 55% during the past year.

Video subscribers. AXTEL launched its pay-television service, AXTEL TV, on January 30th, 2013, and as of June 30, 2015, video subscribers reached 100 thousand compared to 80 thousand a year ago, a 25% increase.

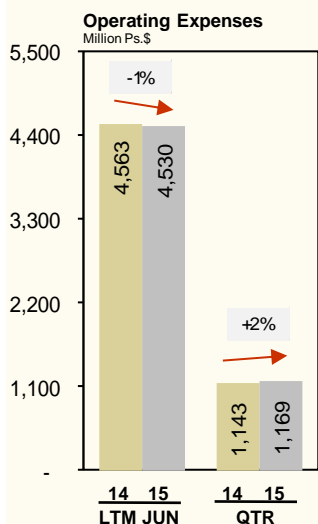
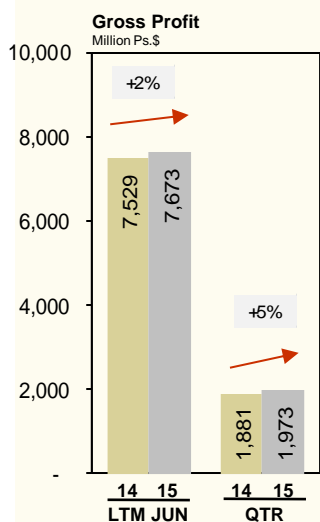
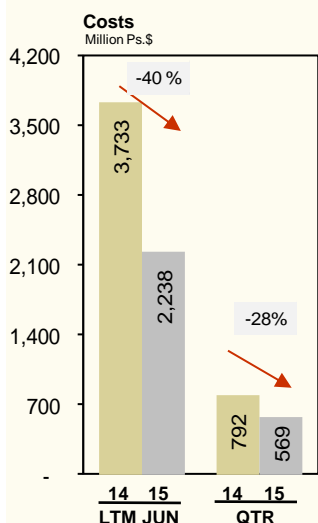
Line equivalents (E0 equivalents). We offer from 64 kilobytes per second ("KBps") up to 200 megabytes per second ("MBps") dedicated data links in all of our thirty-nine existing cities. We account for data links by converting them to E0 equivalents in order to standardize our comparisons versus the industry. As of June 30, 2015, line equivalents totaled 1,137 thousand, a 24% increase.

Cost of Revenues and Operating Expenses

Cost of Revenues. For the three month period ended June 30, 2015, the cost of revenues represented Ps. 569 million, a decrease of 28% or Ps. 223 million, compared with the same period of year 2014, explained by a decline in international traffic volume mainly due to the elimination of transit traffic which terminates in other countries and by decreases in mobile costs related to the elimination of termination costs paid to the preponderant carrier, partially mitigated by an increase in integrated services and equipment sales costs. For the twelve month period ended June 30, 2015, cost of revenues reached Ps. 2,238 million, a 40% decrease in comparison with the twelve month period ended June 30, 2014, mainly due to declines in mobile and long distance costs, in integrated services and equipment sales costs associated to a lower level of revenues and in international traffic costs due to lower volume and termination costs of mobile calls.

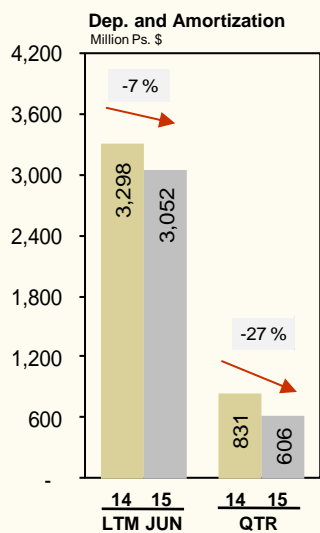
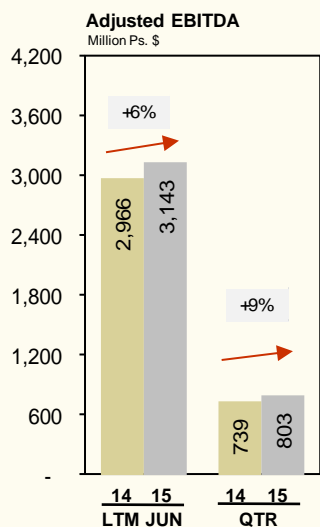
Gross Profit. Gross profit is defined as revenues minus cost of revenues. For the second quarter of 2015, the gross profit accounted for Ps. 1,973 million, a 5% or Ps. 91 million increase compared with the same period in year 2014. The gross profit margin increased from 70.4% to 77.6% year-over-year, mainly due to the decline in interconnection rates paid to the preponderant player. For the twelve month period ended June 30, 2015, our gross profit totaled Ps. 7,673 million, compared to Ps. 7,529 million recorded in year 2014, an increase of Ps. 144 million or 2%.

Operating expenses. In the second quarter of year 2015, operating expenses totaled Ps. 1,169 million, Ps. 27 million or 2% higher than the Ps. 1,143 million recorded in the same period in year 2014, explained mainly by a 20% increase in maintenance expense. For the twelve month period ended June 30, 2015, operating expenses totaled Ps. 4,530 million, similar to the Ps. 4,563 million of the same period in 2014. Personnel represented 41% of total operating expenses in the twelve month period ended June 30, 2015.

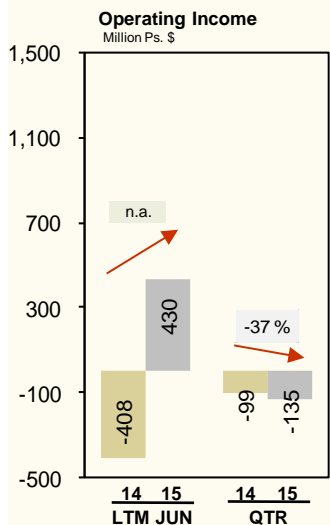


Adjusted EBITDA, D&A and Operating Income

Adjusted EBITDA⁽⁵⁾. The Adjusted EBITDA totaled Ps. 803 million for the three month period ended June 30, 2015, a 9% increase compared to Ps. 739 million for the same period in 2014. As a percentage of total revenues, Adjusted EBITDA margin represented 31.6% in the second quarter of 2015, 397 bps higher than the margin recorded in the year-earlier quarter. For the twelve month period ended June 30, 2015, Adjusted EBITDA amounted to Ps. 3,143 million, compared to Ps. 2,966 million in year 2014, a 6% increase.



Depreciation and Amortization⁽⁹⁾. Depreciation and amortization totaled Ps. 606 million in the three month period ending on June 30, 2015 compared to Ps. 831 million for the same period in year 2014, a Ps. 225 million decrease due to lower capital investments in recent years and also to a larger proportion of investments in fiber which increases the average life of our assets. Depreciation and amortization for the twelve month period ended June 30, 2015 reached Ps. 3,052 million, 7% lower than the Ps. 3,298 million registered in the same period in year 2014.



Operating Income (loss). In the three month period ended June 30, 2015, the Company recorded an operating loss of Ps. 135 million compared to an operating loss of Ps. 99 million registered in the same period in year 2014. For the twelve month period ended June 30, 2015, operating income reached Ps. 429 million when compared to the operating loss of Ps. 408 million in the same period of year 2014, an increase of Ps. 837 million mainly explained by the agreement with America Movil in the first quarter of 2015.

CFR and Indebtedness

Comprehensive Financing Result

Million Pesos	2Q15/2Q14			LTM		LTM
	Q2 2015	Q2 2014	Δ%	Q1 2015	Q2 2015	Q2 2014
Net interest expense	(284)	(187)	52%	(282)	(1,046)	(759)
FX gain (loss), net	(278)	33	n.a.	(308)	(1,694)	85
Result from debt exchange	-	-	n.a.	-	-	26
Ch. in FV of fin. Instruments	(9)	3	n.a.	26	(4)	16
Total	(571)	(151)	>100%	(565)	(2,744)	(632)

Comprehensive financing result. Net interest expense for the second quarter 2015 increased Ps. 97 million due to the higher level of debt and the increase on the interest rate related to the step-up scheme of the 2020 Secured Notes. During the second quarter of 2015, the peso depreciated 3% against the U.S. dollar generating a FX loss of Ps. 278 million while during the second quarter of 2014 the peso remained constant against the U.S. dollar. Concerning variations in the fair value of financial instruments, these are partly explained by no change and an 8% increase in the price of AXTELCO during the second quarter of 2015 and 2014 respectively, which affected the valuation of AXTEL's position held in its own stock through the zero-strike call instruments. The Ps. 2,744 million comprehensive financing loss for year ended in June 2015, compared to a Ps. 632 million loss for year ended in June 2014, is mainly explained by the increase in interest expense and the Ps. 1,694 million FX loss during 2015 due to a 16% depreciation of the peso against the U.S. dollar.

Total Debt as of the end of each period

Million Pesos	Q2 2015	Q2 2014	Q1 2015
2017 Senior Notes	785	657	764
2019 Senior Notes	1,584	1,326	1,542
2020 Senior Secured Notes	8,479	5,143	8,254
2020 Senior Secured Convertible Notes	157	263	172
Other loans and financing obligations	1,151	757	1,168
Notes Premium (discount)	(12)	(20)	(13)
Notes issuance and deferred financing costs	(106)	(16)	(112)
FV option convertible bond	(48)	(94)	(57)
Total Debt	11,988	8,016	11,717
(-) Cash and cash equivalents	(2,772)	(795)	(3,223)
Net Debt	9,216	7,221	8,495

Debt. At the end of the second quarter 2015, total debt increased Ps. 3,973 million in comparison with second quarter 2014, explained by (i) a Ps. 1,823 million increase related to the \$150 million reopening of the 2020 notes, (ii) an increase of Ps. 319 million in leases and other financial obligations mostly related to a Ps. 334 million increase in a capacity lease signed during the quarter, (iii) a Ps. 82 million decrease related to the notes' discount, issuance and deferred financing costs, (iv) a Ps. 46 million increase related to the implicit derivative instrument embedded in the Senior Secured Convertible Notes and (v) a Ps. 1,867 million non-cash increase caused by the 16% depreciation of the Mexican peso.

Cash, Investments and Derivative Instruments

Cash. As of the end of the second quarter of 2015, the cash and equivalents balance totaled Ps. 2,772 million, compared to Ps. 795 million a year ago, and Ps. 3,223 million at the beginning of the quarter. As of the end of the quarter, 73 percent of the cash balance was maintained in dollars, the rest in pesos.

Capital Investments. In the second quarter of 2015, capital investments totaled Ps. 570 million, or \$37 million, compared to Ps. 697 million, or \$54 million, in the year-earlier quarter. For the twelve month period ended June 30, 2015, capital investments totaled Ps. 2,530 million, or \$177 million, compared to Ps. 2,711 million, or \$208 million, for 2014.

Other Investments. As of June 30, 2015, the Company maintained an economic position equivalent to 41.5 million AXTELCPOs in ZSC.

Financial Instruments. The following table summarizes the Company's financial instruments position as of June 30, 2015.

	AXTEL receives	AXTEL pays	Other
Zero-strike Equity Call Option			
Notional Value	30.4 million AXTELCPO	Strike price: ¢1 per CPO	30.4 million AXTELCPO
Settlement			In cash
Expiration Date			July 2015
Valuation			Ps. 148.0 million
Notional Value	11.1 million AXTELCPO	Strike price: ¢1 per CPO	5.6 million AXTELCPO
Settlement			In cash
Expiration Date			September 2015
Valuation			Ps. 54.1 million

At the end of the quarter, the Company's balance sheet recorded a liability of Ps. 73 million to reflect an implicit derivative instrument embedded in its Senior Secured Convertible Notes, per applicable accounting standards.

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 June 30, 2015 and 2014, and March 31, 2015; and twelve month period ending on June 30, 2015 and 2014, and
 - Balance sheet information as of June 30, 2015 and 2014; and March 31, 2015.
- 2) Revenues are derived from:
 - i. Rents: Revenues are generated from the provision of connectivity to AXTEL’s infrastructure which can deliver voice, data and video services to its customers. Services are provided through bundled commercial offers or, in some instances, as stand-alone or add-on services.
 - ii. Voice services. The Company may charge customers a per call fee for local calls (“measured service”), a per minute usage fee for CPP calls, a per minute usage fee for international long distance completed calls and for services related to 800s numbers for the enterprise segment.
 - iii. Internet & video. We generate revenues by providing “on demand” Internet access and video (Pay-TV) services.
 - iv. Data & network. We generate revenues by providing data, dedicated Internet and network services, such as virtual private networks and private lines, to the enterprise and government segments.
 - v. Integrated Services & equipment sale. We generate revenues from managed telecommunications services provided to corporate customers, financial institutions and government entities and the sale of customer premises equipment (“CPE”) necessary to provide these services.
 - vi. International traffic. We generate revenues terminating international traffic from foreign carriers.
 - vii. Other services. Include, among others, memberships, late payment charges, spectrum, interconnection, activation and wiring and presubscription.

Sources of Revenues - 2014

Million Pesos	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Rents	597	595	590	616
Voice services	410	391	414	372
Internet & Video	315	330	339	353
Data & Network	464	474	466	494
Int. Services & Eq. Sale	759	428	335	257
Int'l. Traffic	344	372	343	175
Others	81	84	84	115
	2,971	2,673	2,570	2,383

- 3) 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.

Other important information

- 4) 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.
- 5) Adjusted EBITDA is defined as net income plus interest, taxes, depreciation and amortization, and further adjusted for extraordinary or non-recurrent income and expenses.
- 6) Earnings per CPO are calculated dividing the net income by the average number of Series A and Series B shares outstanding during the period divided by seven. The number of outstanding Series A and Series B shares was 97,750,656 and 9,122,563,616 respectively, as of June 30, 2015.
- 7) Net Debt to Adjusted EBITDA: The figure comes from dividing the net debt at the end of the period by the respective LTM Adjusted EBITDA.
- 8) Revenue Generating Unit, or RGU, represents individual service subscriber who generates recurring revenue for the Company. Total RGUs include the sum of all lines in service, broadband service customers and video subscribers.
- 9) Depreciation and amortization includes depreciation of all communications network and equipment and amortization of pre-operating expenses and cost of spectrum licenses, among others.
- 10) Subject to market conditions, the Company's liquidity position and its contractual obligations, from time to time, the Company may acquire its senior secured and unsecured notes in the open market or in privately negotiated transactions as well as financial instruments whose underlying is related to the performance of its stock price.

Other important information

About AXTEL

AXTEL is a Mexican telecommunications company with significant growth in the broadband segment, and one of the leading companies in information and communication technologies solutions in the corporate, financial and government sectors. The Company serves all market segments - corporate, financial, government, wholesale and residential with the most robust offering of integrated communications services in Mexico. Its world-class network consists of different access technologies like fiber optic, fixed wireless access, point to point and point to multipoint links, in order to offer solutions tailored to the needs of its customers.

AXTELCPO trades on the Mexican Stock Exchange since 2005. AXTEL's American Depositary Shares are eligible for trading in The PORTAL Market, a subsidiary of the NASDAQ Stock Market, Inc.

Visit AXTEL's Investor Relations Center at axtel.mx

Axtel, S.A.B. de C.V. and Subsidiaries

Unaudited Consolidated Balance Sheet
June 30, 2015 and 2014 and March 31, 2015
(figures in Thousands of Mexican pesos)

ASSETS	June-2015	March-2015	June-2014
Current assets			
Cash and equivalents	2,772,136	3,222,591	794,739
Restricted cash	-	-	-
Accounts receivable	2,876,466	2,506,452	3,714,694
Refundable taxes and other accounts receivable	351,309	325,858	302,736
Advances to suppliers	95,409	195,412	145,461
Inventories	67,099	64,861	172,523
Financial Instruments (Zero Strike Call)	202,073	175,675	146,758
Total current assets	6,364,492	6,490,849	5,276,911
Non current assets			
Property, plant and equipment, net	13,423,562	13,242,102	13,059,843
Long-term accounts receivable	179,368	205,210	281,415
Intangible assets, net	149,447	161,717	198,565
Deferred income taxes	1,838,594	1,647,262	1,261,275
Investment in assoc. Cos. & other investments	8,217	8,217	8,426
Other assets	129,675	134,375	134,954
Total non current assets	15,728,863	15,398,883	14,944,478
TOTAL ASSETS	22,093,355	21,889,732	20,221,389
LIABILITIES			
Current liabilities			
Account payable & Accrued expenses	2,635,593	2,566,768	3,500,257
Accrued Interest	513,134	268,244	321,270
Short-term debt	130,000	130,000	130,000
Current portion of long-term debt	389,068	362,535	261,057
Taxes payable	388,256	551,814	199,501
Financial Instruments	-	-	-
Deferred Revenue	745,643	433,066	513,857
Other accounts payable	127,017	113,796	137,522
Total current liabilities	4,928,711	4,426,223	5,063,464
Long-term debt			
Long-term debt	11,469,256	11,224,632	7,624,616
Derivative Financial Instruments	73,148	71,070	105,459
Employee Benefits	26,463	25,980	21,560
Deferred revenue	33,900	33,900	33,900
Other LT liabilities	164,190	190,114	267,888
Total long-term debt	11,766,957	11,545,696	8,053,423
TOTAL LIABILITIES	16,695,668	15,971,919	13,116,887
STOCKHOLDERS EQUITY			
Capital stock	6,780,795	6,764,271	6,651,225
Additional paid-in capital	644,710	644,710	644,710
Reserve for repurchase of shares	90,000	90,000	162,334
Cumulative earnings (losses)	(2,117,818)	(1,581,168)	(353,767)
Change in the fair value of derivative instruments	-	-	-
TOTAL STOCKHOLDERS EQUITY	5,397,687	5,917,813	7,104,502
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	22,093,355	21,889,732	20,221,389

Axtel, S.A.B. de C.V. and Subsidiaries

Unaudited Consolidated Income Statement

Periods ended June 30, 2015 and 2014

(figures in Thousands of Mexican pesos)

	Second Quarter ended June 30			LTM ended June 30		
	2015	2014	Δ%	2015	2014	Δ%
Rental, installation, service and other income	2,541,983	2,673,408	-5%	9,910,936	11,262,085	-12%
Operating cost and expenses						
Cost of sales and services	(569,370)	(791,978)	-28%	(2,238,238)	(3,732,971)	-40%
Selling and administrative expenses	(1,169,431)	(1,142,731)	2%	(4,530,173)	(4,562,898)	-1%
Other income (expenses), net	(332,190)	(6,357)	>100%	339,296	(75,699)	n.a.
Gain in sale of telecommunication towers	-	-	n.a.	-	-	n.a.
Depreciation and amortization	(606,375)	(831,265)	-27%	(3,052,499)	(3,298,329)	-7%
	(2,677,366)	(2,772,331)	-3%	(9,481,614)	(11,669,897)	-19%
Operating income (loss)	(135,383)	(98,923)	37%	429,322	(407,812)	n.a.
Comprehensive financing result:						
Interest expense	(295,294)	(190,051)	55%	(1,076,069)	(774,937)	39%
Interest income	11,701	3,325	>100%	30,525	16,179	89%
Foreign exchange gain (loss), net	(277,700)	32,687	n.a.	(1,694,248)	85,158	n.a.
Result from the exchange of debt, net	-	-	n.a.	-	25,573	n.a.
Change in the fair value of financial inst.	(9,481)	3,187	n.a.	(4,255)	16,454	n.a.
Comprehensive financing result, net	(570,774)	(150,852)	>100%	(2,744,047)	(631,573)	>100%
Equity in results of associated company	-	(3,263)	n.a.	(160)	(1,210)	-87%
Income (loss) before income taxes,	(706,157)	(253,038)	>100%	(2,314,885)	(1,040,595)	>100%
Income taxes:						
Current	(21,825)	(9,039)	>100%	(94,360)	(38,362)	>100%
Deferred	191,332	75,491	>100%	576,651	297,122	94%
Total income tax	169,507	66,452	>100%	482,291	258,760	86%
Net Income (Loss)	(536,650)	(186,586)	>100%	(1,832,594)	(781,835)	134%

Axtel, S.A.B. de C.V. and Subsidiaries

Adjusted EBITDA Reconciliation

(Figures in Thousands of Mexican pesos)

	Second Quarter ended June 30			LTM ended June 30		
	2015	2014	Δ%	2015	2014	Δ%
Net Income (Loss)	Ps. (536,650)	(186,586)	>100%	Ps. (1,832,594)	(781,835)	>100%
Depreciation and Amortization	(606,375)	(831,265)	-27%	(3,052,499)	(3,298,329)	-7%
Interest Expense, Net	(283,593)	(186,726)	52%	(1,045,544)	(758,758)	38%
Total Income Tax	169,507	66,452	>100%	482,291	258,760	86%
FX Gain (Loss), Net	(277,700)	32,687	n.a.	(1,694,248)	85,158	n.a.
Result from exchange of debt, net	-	-	n.a.	-	25,573	n.a.
Ch. in fair value of financial inst.	(9,481)	3,187	n.a.	(4,255)	16,454	n.a.
Eq. Results in an asso. Co.	-	(3,263)	n.a.	(160)	(1,210)	-87%
EBITDA	470,992	732,342	-36%	3,481,821	2,890,517	20%
Other income (expense), Net	(332,190)	(6,357)	>100%	339,296	(75,699)	n.a.
Adjusted EBITDA	Ps. <u>803,182</u>	<u>738,699</u>	<u>9%</u>	Ps. <u>3,142,525</u>	<u>2,966,216</u>	<u>6%</u>