

San Pedro Garza Garcia, Mexico, October 22, 2015 - Axtel, S.A.B. de C.V. ("AXTEL" or "the Company"), a leading Mexican fixed-line integrated telecommunications company, announced today its unaudited third quarter results ended September 30, 2015⁽¹⁾.

Million Pesos	Q3	Q3	3Q15/3Q14	Q2	LTM	
	2015	2014	Δ%	2015	sep-15	sep-14
Revenues ⁽²⁾	2,360	2,570	-8%	2,542	9,701	11,202
Costs ⁽³⁾	444	681	-35%	569	2,001	3,641
Operating Expenses ⁽⁴⁾	1,135	1,120	1%	1,169	4,546	4,576
Adjusted EBITDA ⁽⁵⁾	781	769	1%	803	3,154	2,985
Adj. EBITDA Margin	33.1%	29.9%	+ 314 bps	31.6%	32.5%	26.7%
Net (loss) Income	-768	-444	-73%	-537	-2,157	-1,160
Earnings per CPO ⁽⁶⁾	-0.59	-0.34	-73%	-0.41	-1.65	-0.89
Capital Expenditures	515	748	-31%	570	2,297	2,963
Net Debt / Adj EBITDA ⁽⁷⁾					3.3x	2.6x

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Highlights:

- ❖ The Company's Adjusted EBITDA for the year-to-date period has increased 6% despite the impact from the elimination of domestic long-distance billing and the expected decline of our WiMAX business. Positive performance from the enterprise and FTTH businesses support this result.
- ❖ As informed earlier this month, Axtel, Alfa and Alestra signed a Memorandum of Understanding to merge Axtel and Alestra. Axtel will survive as an operating and publicly-traded company and will issue new shares to Alfa representing 51% of the combined entity.
- ❖ The signing of this agreement is a key strategic move in line with the telecom industry consolidation trend. It is also a milestone of a process that started with the early 2013 non-core major asset divestiture and recapitalization plan which provided financial flexibility to continue executing our strategic initiatives. This transaction will create a company with stronger competitive position and prospects to achieve a more profitable and sustainable growth.

Sources of Revenues

Million Pesos	3Q15/3Q14			Q2 2015	LTM	LTM
	Q3 2015	Q3 2014	Δ%		sep-15	sep-14
Rents	545	590	-8%	554	2,280	2,382
Voice	277	414	-33%	290	1,213	1,652
Internet & Video	375	339	11%	366	1,449	1,273
Data & Network	514	466	10%	509	2,008	1,848
Int. Service & Eq. Sale	504	335	50%	726	2,025	2,345
Int'l. Traffic	74	343	-78%	41	423	1,372
Other	72	84	-14%	56	303	330
	2,360	2,570	-8%	2,542	9,701	11,202

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. 545 million in the third quarter of 2015, compared to Ps. 590 million for same period in 2014, representing an 8% decrease less than the 11% decrease in the average number of customers. For the twelve month period ended September 30, 2015, rents revenues decreased 4% due to, among others, a 5% decline in the average number of lines in service.

Voice Services. Revenues amounted to Ps. 277 million in the third quarter of 2015, compared to Ps. 414 million in the same period in 2014, a 33% 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 September 30, 2015, voice revenues totaled Ps. 1,213 million compared to Ps. 1,652 million registered in 2014, a 27% decline also due to the elimination of domestic long distance charges.

Internet & Video. Quarterly revenues totaled Ps. 375 million, compared to Ps. 339 million in the same period in 2014, an 11% increase driven by a 46% increase in the pay-tv service and a 2% increase in mass market, or “on-demand” internet services revenues. During the twelve month period ended on September 30, 2015, internet and video services revenues totaled Ps. 1,449 million from Ps. 1,273 million registered in 2014, an increase of Ps.176 million, or 14%, due to strong performance of both video and FTTH internet services.

Data & Network. Data and network revenues amounted to Ps. 514 million in the third quarter of 2015, compared to Ps. 466 million in the same period in 2014, a 10% or Ps. 48 million increase driven by a 15% increase in private lines and 8% increase in dedicated internet due to a stronger demand for these services by enterprise customers. During the twelve month period ended on September 30, 2015, data and network services revenues totaled Ps. 2,008 million from Ps. 1,848 million registered in 2014, a 9% increase.

Sources of Revenues

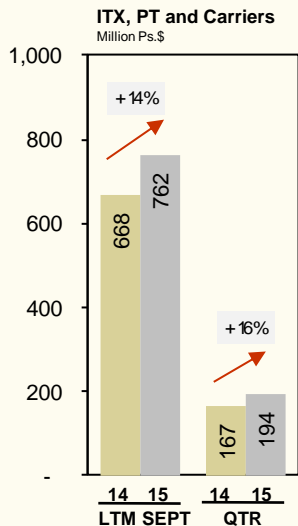
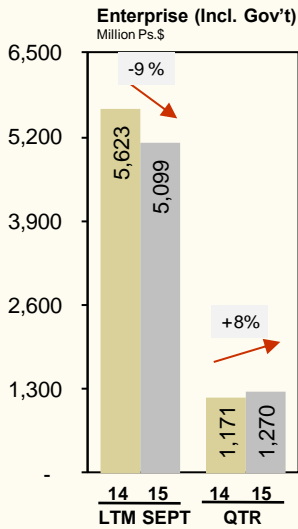
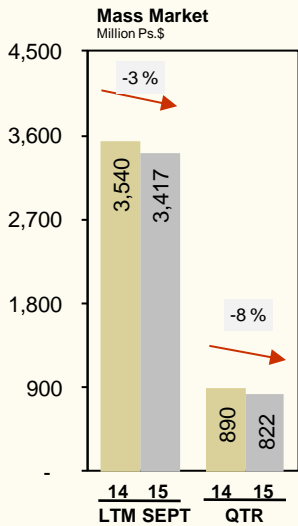
Million Pesos	3Q15/3Q14			Q2 2015	LTM	LTM
	Q3 2015	Q3 2014	Δ%		sep-15	sep-14
Rents	545	590	-8%	554	2,280	2,382
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	2,360	2,570	-8%	2,542	9,701	11,202

Integrated Services & Equipment Sales. Quarterly revenues totaled Ps. 504 million in the third quarter of 2015, from Ps. 335 million in the same quarter of previous year, a 50% increase due to revenues flowing from existing and new projects closed during the last three quarters with both enterprise and government entities. For the twelve month period ended September 30, 2015, revenues totaled Ps. 2,025 million from Ps. 2,345 million registered in 2014, a 14% decrease.

International traffic. In the third quarter of 2015, international traffic revenues totaled Ps. 74 million, a decrease of Ps. 269 million or 78% versus the same quarter of previous year, explained mainly by declines in 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 September 30, 2015, revenues from international traffic totaled Ps. 423 million from Ps. 1,372 million in the same period in 2014, a 69% decrease mainly explained by a decline in volume and prices of international mobile traffic and decline in transit traffic.

Other services. Quarterly revenues from other services totaled Ps. 72 million in the third quarter of 2015, from Ps. 84 million in the same quarter of previous year, a 14% decrease due to declines in memberships. For the twelve month period ended September 30, 2015, revenues totaled Ps. 303 million from Ps. 330 million registered in 2014, a decrease of Ps. 27 million, or 8%.

Revenues by segment *



Mass Market. Revenues totaled Ps. 822 million in the third quarter of 2015, an 8% 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 9% and 38% decreases in rents and voice revenues. The decline was partially compensated by an 11% increase in internet and video revenues. For the twelve month period ended September 30, 2015, revenues totaled Ps. 3,417 million, a 3% decrease compared to the same period in 2014.

Enterprise (including Government). Revenues for this segment amounted to Ps. 1,270 million in the three month period ended September 30, 2015, an increase of 8% versus the same period in 2014. This is mostly explained by a 52% increase in integrated services revenues mitigating a 37% decline in voice revenues mainly due to the elimination of national long distance billing. For the twelve month period ended September 30, 2015, revenues decreased 9% due to declines in voice and integrated services revenues.

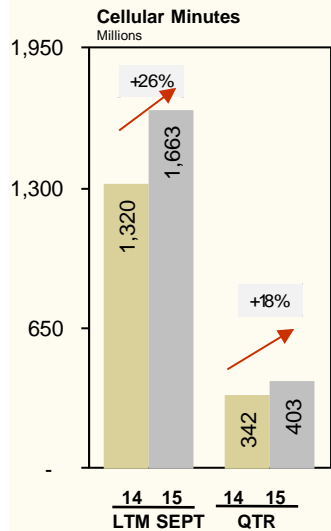
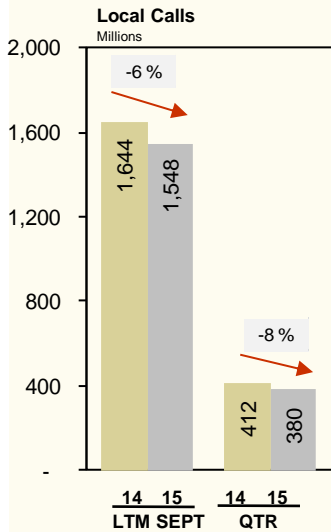
Interconnection, Public Telephony and Carriers. Revenues for this segment totaled Ps. 194 million in the third quarter 2015, a 16% increase compared to the same quarter in 2014 mostly due to increases in private lines revenues. For the twelve month period ended September 30, 2015, revenues reached Ps. 762 million, an increase of 14% compared to the same period in 2014.

(*) Excludes International Traffic

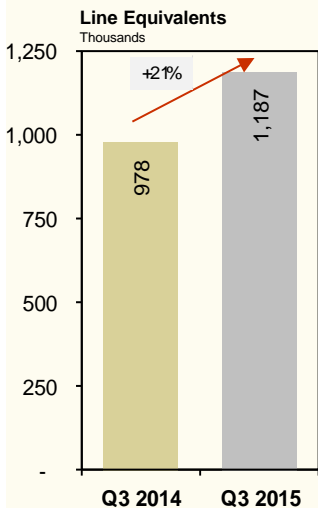
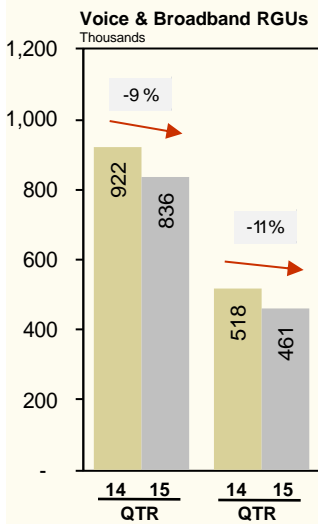
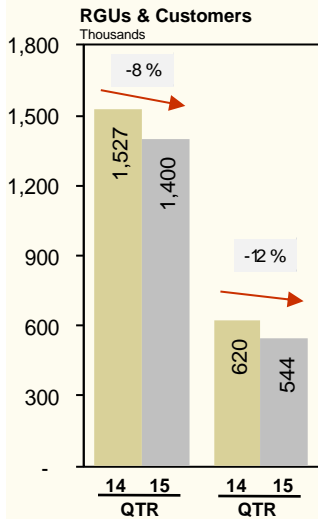
Consumption

Local Calls. Local calls totaled 380 million in the third quarter of 2015, compared to 412 million calls for the same period in 2014, representing a decrease of 8%. Billed local calls increased 85% 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 24% and represented 71% of total calls in the third quarter of 2015. For the twelve month period ended September 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 403 million in the three month period ended September 30, 2015, compared to 342 million in the same period in 2014, an 18% increase. This was mainly due to a 26% increase in billed minutes related to 045 billed cellular minutes. Billed cellular minutes represented 87% of cellular minutes in the third quarter of 2015, compared to 81% in the year-earlier quarter. For the twelve month period ended September 30, 2015, cellular minutes increased 26% compared to the same period in 2014, mainly due to a 57% increase in billed 045 cellular minutes.



Operating Data



RGUs⁽⁸⁾ and Customers. As of September 30, 2015, RGUs (Revenue Generating Units) totaled 1,400 thousand. During the third quarter of 2015, there were 27 thousand net disconnections, compared to 2 thousand net additions in the third quarter of 2014 due to a greater number of wireless disconnections in 2015. As of September 30, 2015, customers totaled 544 thousand, a decline of 76 thousand from the same date in 2014. Total customers declined 19 thousand on a sequential basis.

Voice RGUs (lines in service). As of September 30, 2015, lines in service totaled 836 thousand. During the third quarter of 2015 and third quarter 2014, gross additional lines totaled 43 and 55 thousand respectively. Disconnections in the third quarter 2015 totaled 63 thousand compared to 54 thousand in the year-earlier quarter. Lines in service in the third quarter of 2015 decreased 20 thousand, compared to a decrease of 6 thousand in the same period of 2014. As of September 30, 2015, residential lines represented 55% of total lines in service.

Broadband RGUs (broadband subscribers). Broadband subscribers decreased 11% year-over-year totaling 461 thousand as of September 30, 2015. During the third quarter of 2015, broadband subscribers' net disconnections totaled 12 thousand compared to 1 thousand net additions in the same period of 2014, due to larger disconnections of wireless subscribers this quarter. As of September 30, 2015, wireless broadband subs reached 265 thousand, compared to 345 thousand a year ago, while AXTEL X-tremo, or FTTH customers, totaled 196 thousand compared to 172 thousand a year ago. Broadband penetration has remained at 55% during the past year.

Video subscribers. As of September 30, 2015, video subscribers reached 104 thousand compared to 87 thousand a year ago, a 19% increase.

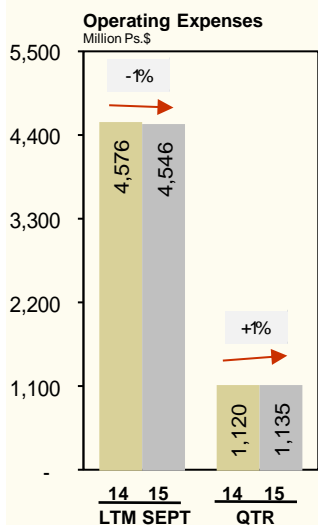
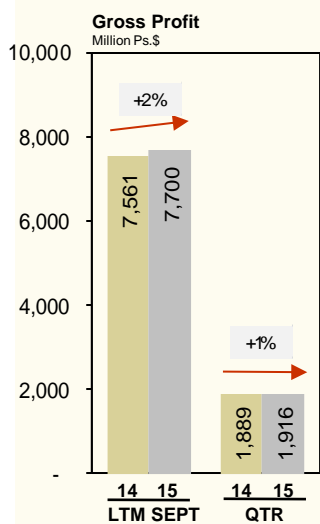
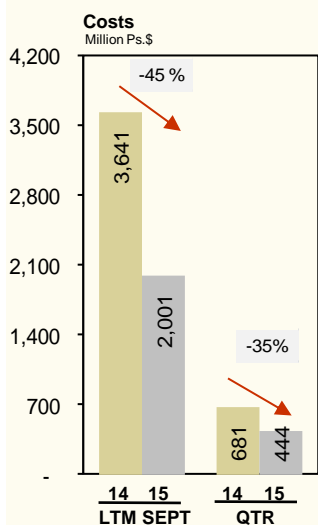
Line equivalents (E0 equivalents). We offer from 64 kilobytes per second ("KBps") up to 200 megabytes per second ("MBps") dedicated data links in all of our thirty-nine existing cities. We account for data links by converting them to E0 equivalents in order to standardize our comparisons versus the industry. As of September 30, 2015, line equivalents totaled 1,187 thousand, a 21% increase.

Cost of Revenues and Operating Expenses

Cost of Revenues. For the three month period ended September 30, 2015, the cost of revenues represented Ps. 444 million, a decrease of 35% or Ps. 237 million, compared with the same period of year 2014, explained by a decline in international traffic volume due to the elimination of transit traffic and also by decreases in mobile costs related to the elimination of termination costs paid to the preponderant carrier. These reductions mitigated an increase in integrated services and equipment sales costs due to increased related revenues. For the twelve month period ended September 30, 2015, cost of revenues reached Ps. 2,001 million, a 45% decrease in comparison with the twelve month period ended September 30, 2014, mainly due to declines in fixed to mobile 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.

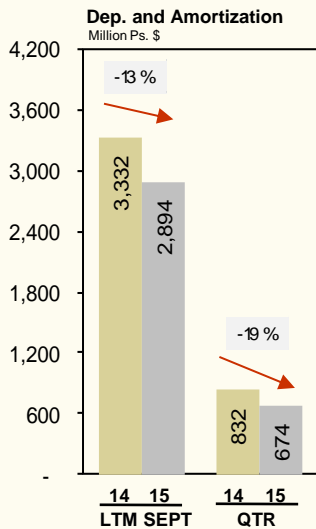
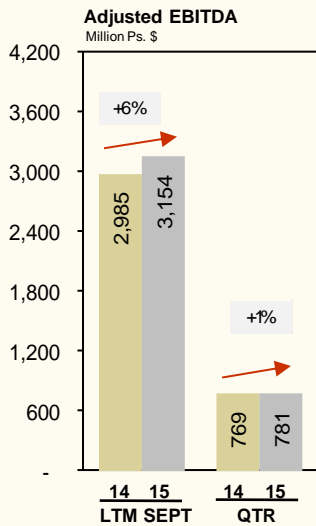
Gross Profit. Gross profit is defined as revenues minus cost of revenues. For the third quarter of 2015, the gross profit accounted for Ps. 1,916 million, 1% higher to the same period in year 2014. The gross profit margin increased from 73.5% to 81.2% year-over-year, mainly due to the decline in interconnection rates paid to the preponderant player and the decline in revenues of international traffic which has low margins. For the twelve month period ended September 30, 2015, our gross profit totaled Ps. 7,700 million, compared to Ps. 7,561 million recorded in year 2014, an increase of Ps. 139 million or 2%.

Operating expenses. In the third quarter of year 2015, operating expenses totaled Ps. 1,135 million, Ps. 16 million or 1% higher than the Ps. 1,120 million recorded in the same period in year 2014, explained mainly by increases in rents and personnel expenses mitigated by a slight reduction in outsourcing expenses. For the twelve month period ended September 30, 2015, operating expenses totaled Ps. 4,546 million, similar to the Ps. 4,576 million of the same period in 2014. Personnel represented 41% of total operating expenses in the twelve month period ended September 30, 2015.

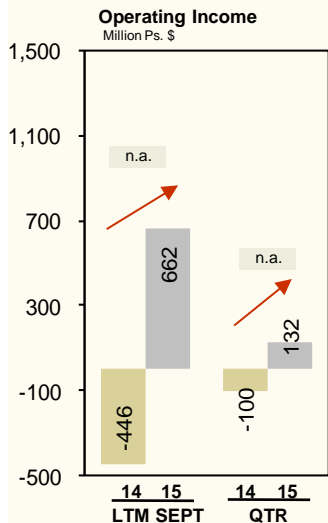


Adjusted EBITDA, D&A and Operating Income

Adjusted EBITDA⁽⁵⁾. The Adjusted EBITDA totaled Ps. 781 million for the three month period ended September 30, 2015, a 1% increase compared to Ps. 769 million for the same period in 2014. As a percentage of total revenues, Adjusted EBITDA margin represented 33.1% in the third quarter of 2015, 314 bps higher than the margin recorded in the year-earlier quarter. For the twelve month period ended September 30, 2015, Adjusted EBITDA amounted to Ps. 3,154 million, compared to Ps. 2,985 million in year 2014, a 6% increase.



Depreciation and Amortization⁽⁹⁾. Depreciation and amortization totaled Ps. 674 million in the three month period ending on September 30, 2015 compared to Ps. 832 million for the same period in year 2014, a Ps. 158 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 September 30, 2015 reached Ps. 2,894 million, 13% lower than the Ps. 3,332 million registered in the same period in year 2014.



Operating Income (loss). In the three month period ended September 30, 2015, the Company recorded an operating income of Ps. 132 million compared to an operating loss of Ps. 100 million registered in the same period in year 2014. For the twelve month period ended September 30, 2015, operating income reached Ps. 662 million when compared to the operating loss of Ps. 446 million in the same period of year 2014, an increase of Ps. 1,107 million mainly explained by the agreement with America Movil in the first quarter of 2015 and a lower level of depreciation and amortization in the year 2015.

CFR and Indebtedness

Comprehensive Financing Result

Million Pesos	3Q15/3Q14			LTM	LTM
	Q3 2015	Q3 2014	Δ%	Q3 2015	Q3 2014
Net interest expense	(324)	(205)	58%	(284)	(794)
FX gain (loss), net	(951)	(274)	>100%	(278)	(280)
Result from debt exchange	-	-	n.a.	-	29
Ch. in FV of fin. Instruments	91	(8)	n.a.	(9)	24
Total	(1,184)	(486)	>100%	(571)	(1,021)

Comprehensive financing result. Net interest expense for the third quarter 2015 increased Ps. 124 million due to the higher level of debt in dollar terms and the increase on the interest rate related to the step-up scheme of the 2020 Secured Notes. During the third quarter of 2015, the peso depreciated 8% against the U.S. dollar generating a FX loss of Ps. 951 million while during the third quarter of 2014 the peso depreciated 3% against the U.S. dollar generating a FX loss of Ps. 274 million. Concerning variations in the fair value of financial instruments, these are partly explained by 62% increase and a 19% decrease in the price of AXTELCPO during the third 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. 3,441 million comprehensive financing loss for year ended in September 2015, compared to a Ps. 1,021 million loss for year ended in September 2014, is mainly explained by the increase in interest expense and the Ps. 2,371 million FX loss during 2015 due to a 21% depreciation of the peso against the U.S. dollar.

Total Debt as of the end of each period

Million Pesos	Q3 2015	Q3 2014	Q2 2015
2017 Senior Notes	857	678	785
2019 Senior Notes	1,730	1,369	1,584
2020 Senior Secured Notes	9,263	7,328	8,479
2020 Senior Secured Convertible Notes	146	203	157
Other loans and financing obligations	1,141	766	1,151
Notes Premium (discount)	(11)	(14)	(12)
Notes issuance and deferred financing costs	(100)	(60)	(106)
FV option convertible bond	(46)	(74)	(48)
Total Debt	12,979	10,195	11,988
(-) Cash and cash equivalents	(2,492)	(2,524)	(2,772)
Net Debt	10,487	7,671	9,216

Debt. At the end of the third quarter 2015, total debt increased Ps. 2,784 million in comparison with third quarter 2014, explained by (i) a Ps. 87 million decrease related to the conversion of some 2020 secured notes, (ii) an increase of Ps. 281 million in leases and other financial obligations mostly related to a Ps. 323 million increase in a capacity lease (IRU), (iii) a Ps. 37 million decrease related to the notes' discount, issuance and deferred financing costs, (iv) a Ps. 28 million increase related to the implicit derivative instrument embedded in the Senior Secured Convertible Notes and (v) a Ps. 2,599 million non-cash increase caused by the 21% depreciation of the Mexican peso.

Cash, Investments and Derivative Instruments

Cash. As of the end of the third quarter of 2015, the cash and equivalents balance totaled Ps. 2,492 million, compared to Ps. 2,524 million a year ago, and Ps. 2,772 million at the beginning of the quarter. As of the end of the quarter, 79 percent of the cash balance was maintained in dollars, the rest in pesos.

Capital Investments. In the third quarter of 2015, capital investments totaled Ps. 515 million, or \$31 million, compared to Ps. 748 million, or \$57 million, in the year-earlier quarter. For the twelve month period ended September 30, 2015, capital investments totaled Ps. 2,297 million, or \$152 million, compared to Ps. 2,963 million, or \$226 million, for 2014.

Other Investments. As of September 30, 2015, the Company maintained an economic position equivalent to 43.5 million AXTELCPOs in ZSC.

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

	AXTEL receives	AXTEL pays	Other
Zero-strike Equity Call Option			
Notional			30.4 million AXTELCPO
Value	30.4 million AXTELCPO	Strike price: ¢1 per CPO	
Settlement			In cash
Expiration Date			January 2016
Valuation			Ps. 240.5 million
Notional			11.1 million AXTELCPO
Value	11.1 million AXTELCPO	Strike price: ¢1 per CPO	
Settlement			In cash
Expiration Date			November 2015
Valuation			Ps. 87.9 million
Notional			2.0 million AXTELCPO
Value	2.0 million AXTELCPO	Strike price: ¢1 per CPO	
Settlement			In cash
Expiration Date			December 2015
Valuation			Ps. 15.6 million

At the end of the quarter, the Company's balance sheet recorded a liability of Ps. 114 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 September 30, 2015 and 2014, and June 30, 2015; and twelve month period ending on September 30, 2015 and 2014, and
 - Balance sheet information as of September 30, 2015 and 2014; and June 30, 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 9,177,823,317 respectively, as of September 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

September 30, 2015 and 2014 and June 30, 2015

(figures in Thousands of Mexican pesos)

ASSETS	September-2015	June-2015	September-2014
Current assets			
Cash and equivalents	2,491,867	2,772,136	2,524,032
Restricted cash	-	-	-
Accounts receivable	2,893,739	2,876,466	3,343,588
Refundable taxes and other accounts receivable	339,072	351,309	321,883
Advances to suppliers	106,627	95,409	127,791
Inventories	54,747	67,099	162,923
Financial Instruments (Zero Strike Call)	343,766	202,073	118,804
Total current assets	6,229,818	6,364,492	6,599,021
Non current assets			
Property, plant and equipment, net	13,357,364	13,423,562	13,079,475
Long-term accounts receivable	154,559	179,368	255,608
Intangible assets, net	137,234	149,447	186,200
Deferred income taxes	2,125,766	1,838,594	1,403,132
Investment in assoc. Cos. & other investments	8,217	8,217	8,426
Other assets	129,661	129,675	124,818
Total non current assets	15,912,801	15,728,863	15,057,659
TOTAL ASSETS	22,142,619	22,093,355	21,656,680
LIABILITIES			
Current liabilities			
Account payable & Accrued expenses	2,780,314	2,635,593	3,273,061
Accrued Interest	284,235	513,134	213,892
Short-term debt	130,000	130,000	130,000
Current portion of long-term debt	385,940	389,068	246,803
Taxes payable	409,947	388,256	230,311
Financial Instruments	-	-	-
Deferred Revenue	596,667	745,643	507,766
Other accounts payable	130,811	127,017	151,565
Total current liabilities	4,717,914	4,928,711	4,753,398
Long-term debt			
Long-term debt	12,463,103	11,469,256	9,818,431
Derivative Financial Instruments	114,009	73,148	62,153
Employee Benefits	26,834	26,463	20,812
Deferred revenue	33,900	33,900	33,900
Other LT liabilities	138,265	164,190	241,964
Total long-term debt	12,776,111	11,766,957	10,177,260
TOTAL LIABILITIES	17,494,025	16,695,668	14,930,658
STOCKHOLDERS EQUITY			
Capital stock	6,799,820	6,780,795	6,716,824
Additional paid-in capital	644,710	644,710	644,710
Reserve for repurchase of shares	90,000	90,000	162,334
Cumulative earnings (losses)	(2,885,936)	(2,117,818)	(797,846)
Change in the fair value of derivative instruments	-	-	-
TOTAL STOCKHOLDERS EQUITY	4,648,594	5,397,687	6,726,022
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	22,142,619	22,093,355	21,656,680

Axtel, S.A.B. de C.V. and Subsidiaries
 Unaudited Consolidated Income Statement
 Periods ended September 30, 2015 and 2014
 (figures in Thousands of Mexican pesos)

	Third Quarter ended September 30			LTM ended September 30		
	2015	2014	Δ%	2015	2014	Δ%
Rental, installation, service and other income	2,360,414	2,570,306	-8%	9,701,044	11,202,181	-13%
Operating cost and expenses						
Cost of sales and services	(444,303)	(681,056)	-35%	(2,001,486)	(3,640,933)	-45%
Selling and administrative expenses	(1,135,434)	(1,119,813)	1%	(4,545,793)	(4,575,855)	-1%
Other income (expenses), net	26,048	(36,670)	n.a.	402,013	(99,359)	n.a.
Gain in sale of telecommunication towers	-	-	n.a.	-	-	n.a.
Depreciation and amortization	(674,227)	(832,455)	-19%	(2,894,271)	(3,331,880)	-13%
	<u>(2,227,916)</u>	<u>(2,669,994)</u>	<u>-17%</u>	<u>(9,039,537)</u>	<u>(11,648,027)</u>	<u>-22%</u>
Operating income (loss)	<u>132,498</u>	<u>(99,688)</u>	<u>n.a.</u>	<u>661,507</u>	<u>(445,846)</u>	<u>n.a.</u>
Comprehensive financing result:						
Interest expense	(333,381)	(208,884)	60%	(1,200,566)	(809,538)	48%
Interest income	8,896	3,937	>100%	35,484	15,591	>100%
Foreign exchange gain (loss), net	(950,760)	(273,781)	>100%	(2,371,227)	(279,892)	>100%
Result from the exchange of debt, net	-	-	n.a.	-	28,800	n.a.
Change in the fair value of financial inst.	91,406	(7,710)	n.a.	94,861	23,632	>100%
Comprehensive financing result, net	<u>(1,183,839)</u>	<u>(486,438)</u>	<u>>100%</u>	<u>(3,441,448)</u>	<u>(1,021,407)</u>	<u>>100%</u>
Equity in results of associated company	-	-	n.a.	(160)	(1,208)	-87%
Income (loss) before income taxes,	<u>(1,051,341)</u>	<u>(586,126)</u>	<u>79%</u>	<u>(2,780,101)</u>	<u>(1,468,461)</u>	<u>89%</u>
Income taxes:						
Current	(3,949)	190	n.a.	(98,498)	(28,826)	>100%
Deferred	287,172	141,857	>100%	721,966	336,999	114%
Total income tax	<u>283,223</u>	<u>142,047</u>	<u>99%</u>	<u>623,468</u>	<u>308,173</u>	<u>102%</u>
Net Income (Loss)	<u><u>(768,118)</u></u>	<u><u>(444,079)</u></u>	<u><u>73%</u></u>	<u><u>(2,156,633)</u></u>	<u><u>(1,160,288)</u></u>	<u><u>86%</u></u>

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

Adjusted EBITDA Reconciliation

(Figures in Thousands of Mexican pesos)

	Third Quarter ended September 30			LTM ended September 30		
	2015	2014	Δ%	2015	2014	Δ%
Net Income (Loss)	Ps. (768,118)	(444,079)	73%	Ps. (2,156,633)	(1,160,288)	86%
Depreciation and Amortization	(674,227)	(832,455)	-19%	(2,894,271)	(3,331,880)	-13%
Interest Expense, Net	(324,485)	(204,947)	58%	(1,165,082)	(793,947)	47%
Total Income Tax	283,223	142,047	99%	623,468	308,173	>100%
FX Gain (Loss), Net	(950,760)	(273,781)	>100%	(2,371,227)	(279,892)	>100%
Result from exchange of debt, net	-	-	n.a.	-	28,800	n.a.
Ch. in fair value of financial inst.	91,406	(7,710)	n.a.	94,861	23,632	>100%
Eq. Results in an asso. Co.	-	-	n.a.	(160)	(1,208)	-87%
EBITDA	806,725	732,767	10%	3,555,778	2,886,034	23%
Other income (expense), Net	26,048	(36,670)	n.a.	402,013	(99,359)	n.a.
Adjusted EBITDA	Ps. <u>780,677</u>	<u>769,437</u>	<u>1%</u>	Ps. <u>3,153,765</u>	<u>2,985,393</u>	<u>6%</u>