4th Quarter 2013

San Pedro Garza Garcia, Mexico, February 27, 2014 - Axtel, S.A.B. de C.V. ("AXTEL" or "the Company"), a leading Mexican fixed-line integrated telecommunications company, announced today its unaudited fourth quarter results ended December 31, 2013(1).

	Q4	Q4	4Q13/4Q12	Q3	LTM	
Million Pesos	**2013**	**2012**	**Δ%**	**2013**	**dic-13**	**dic-12**
Revenues(2)	2,988	2,418	24%	2,630	10,286	10,190
Costs(3)	1,049	669	57%	773	2,985	2,855
Operating Expenses(4)	1,190	1,176	1%	1,107	4,430	4,597
Adjusted EBITDA(5)	749	572	31%	750	2,872	2,738
Adj. EBITDA Margin	25.1%	23.7%	+ 140 bps	28.5%	27.9%	26.9%
Net (loss) Income	-270	-590	54%	-66	2,408	-709
Earnings per CPO(6)	-0.22	-0.47	54%	-0.05	1.92	-0.57
Capital Expenditures	884	545	62%	496	2,118	2,016
Net Debt / Adj EBITDA(7)					2.3x	4.0x

Investor Relations:
Adrian de los Santos
IR@axtel.com.mx
+52(81) 8114-1128

Nancy Llovera
IR@axtel.com.mx
+52(81) 8114-1128

Media Relations:
Julio Salinas
contacto@axtel.com.mx
+52(81) 8114-1144

Highlights:

- Adjusted EBITDA for the quarter was Ps. 749 million, 31% higher than the same quarter of last year and similar to the third quarter of this year. This growth was driven by integrated services and equipment sales to the enterprise and government segments, as well as high speed broadband and video services to the mass market customers.

- Broadband subscribers' growth pace continued improving. Net additions reached 14 thousand in this quarter, compared to 12 thousand in the third quarter. This was mainly explained by an increase in FTTH subscribers, but also from the turnaround in WiMAX subscribers, which showed positive net additions of 2 thousand, compared to net disconnections in previous quarters.

- This quarter, AXTEL further improved its capital structure and liquidity position by successfully executing a debt exchange and add-on transaction. An amount of US$115 million of its existing 2017 and 2019 Senior Notes was exchanged for US$110 million of new 2020 Secured Notes improving AXTEL's debt maturity profile. Additionally, US$36 million of new 2020 Secured Notes were issued for cash which, combined with an improvement in working capital, placed the Company's year-end cash balance close to US$100 million— excluding the undrawn US$35 million in committed bank facilities.

Sources of Revenues

Million Pesos	Q4 2013	Q4 2012	4Q/4Q12 Δ%	Q3 2013	LTM dic-13	LTM dic-12
Local	760	876	-13%	784	3,198	3,604
Long Distance	254	276	-8%	266	1,054	1,099
Internet & Video	289	224	29%	274	1,043	799
Data & Network	438	493	-11%	448	1,847	1,990
Int. Service & Eq. Sale	823	284	190%	565	1,884	1,494
Int'l. Traffic	313	146	115%	156	764	655
Other	67	74	-10%	91	330	354
Mayor Wholesale Cust.	45	45	1%	46	167	194
	2,988	**2,418**	**24%**	**2,630**	**10,286**	**10,190**

IMPORTANT DISCLOSURE. Unless otherwise stated, comments in this section exclude revenues generated by our largest wholesale customer (see note 9 for further information).

***Local services*.** Local service revenues totaled Ps. 760 million in the fourth quarter of 2013, compared to Ps. 876 million for same period in 2012, representing a decrease of Ps. 117 million, explained by Ps. 76 million, Ps. 16 million and Ps. 24 million decreases in monthly rents, measured service and cellular revenues, respectively. Average customers declined 11%, contributing to a decline in monthly rents of 11%. The 30% decrease in measured services is explained by 21% decreases in billed-traffic volume and 12% decrease in prices. The 17% decrease in cellular revenue is explained by a 10% decrease in prices resulting from a market trend linked to lower interconnection tariffs, and an 8% decline in cellular billed-traffic. Revenues coming from monthly rents represented 79% of local revenues during the three month period ended December 31, 2013. For the twelve month period ended December 31, 2013, local revenues totaled Ps. 3,198 million, compared to Ps. 3,604 million registered in the same period in 2012, a decrease of Ps. 406 million or 11% mostly explained by Ps. 250, Ps. 58 and Ps. 97 million declines in monthly rents, measured service and cellular revenues respectively.

***Long distance services*.** Revenues amounted to Ps. 254 million in the fourth quarter of 2013, compared to Ps. 276 million for same period in 2012, an 8% decrease. Billed-traffic volume remained unchanged, however revenues decreased due to an 8% decline in billed-traffic prices. For the twelve month period ended December 31, 2013, long distance revenues totaled Ps. 1,054 million compared to Ps. 1,099 million registered in 2012, a Ps. 46 million, or 4%, decline.

***Internet & Video*.** Quarterly revenues totaled Ps. 289 million, compared to Ps. 224 million in the same period in 2012, a 29% or Ps. 66 million increase driven by the new video or pay-TV service and the increase in mass-market, or, “on-demand” internet services revenues, which increased 11% year-over-year. During the twelve month period ended on December 31, 2013, internet and video services revenues totaled Ps. 1,043 million from Ps. 799 million registered in 2012, an increase of Ps. 244 million, or 31%.

***Data & Network*.** Data and network revenues amounted to Ps. 438 million in the fourth quarter of 2013, compared to Ps. 493 million in the same period in 2012, an 11% or Ps. 55 million decrease driven by 12% and 10% declines in private lines and dedicated internet revenues respectively. Competitive pressures on prices and migration to all-included integrated services explain the decline in revenues. During the twelve month period ended on December 31, 2013, data and network services revenues totaled Ps. 1,847 million from Ps. 1,990 million registered in 2012, a decrease of Ps. 143 million, or 7%.

Sources of Revenues

Million Pesos	Q4 2013	Q4 2012	4Q/4Q12 Δ%	Q3 2013	LTM dic-13	LTM dic-12
Local	760	876	-13%	784	3,198	3,604
Long Distance	254	276	-8%	266	1,054	1,099
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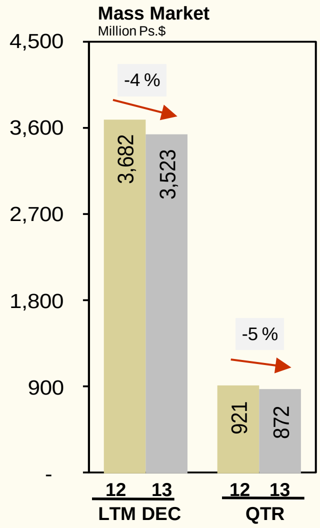
Mayor Wholesale Cust.	45	45	1%	46	167	194
	2,988	**2,418**	**24%**	**2,630**	**10,286**	**10,190**

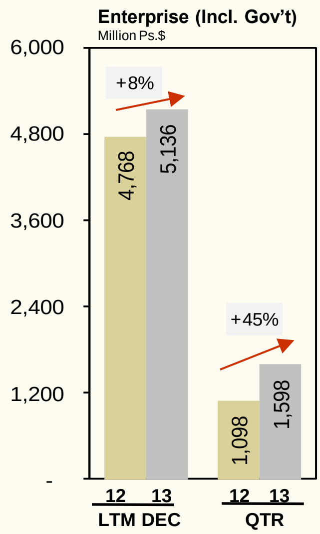
IMPORTANT DISCLOSURE. Unless otherwise stated, comments in this section exclude revenues generated by our largest wholesale customer (see note 9 for further information).

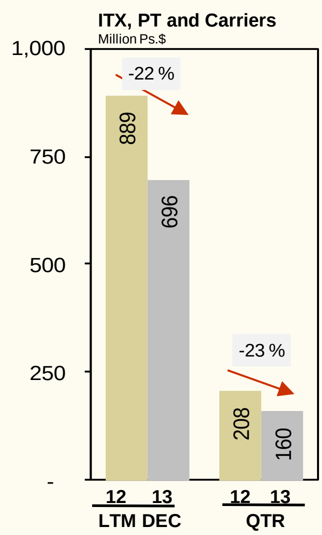
Integrated Services & Equipment Sales. Quarterly revenues totaled Ps. 823 million in the fourth quarter of 2013, from Ps. 284 million in the same quarter of previous year, a 190% increase mainly explained by integrated service and equipment sales transactions with state and federal government entities. For the twelve month period ended December 31, 2013, revenues totaled Ps. 1,884 million from Ps. 1,494 million registered in 2012, an increase of Ps. 390 million, or 26%.

International traffic. In the fourth quarter of 2013, international traffic revenues totaled Ps. 313 million, an increase of Ps. 167 million or 115% versus the same quarter of previous year, explained by an increase in prices attributable to a change in the mix towards higher priced international mobile traffic vs. on-net and off-net traffic. In peso terms, the price increase was slightly strengthened by a 1% depreciation of the Mexican peso vis-à-vis the US dollar. For the twelve month period ended December 31, 2013, revenues from international traffic totaled Ps. 764 million from Ps. 655 million in the same period in 2012, an increase of 17% mainly explained by a 32% increase in price.

Other services. Quarterly revenues from other services totaled Ps. 67 million in the fourth quarter of 2013, from Ps. 74 million in the same quarter of previous year, a decrease of 10%. For the twelve month period ended December 31, 2013, revenues totaled Ps. 330 million from Ps. 354 million registered in 2012, a decrease of Ps. 25 million, or 7%.







*Revenues by segment **

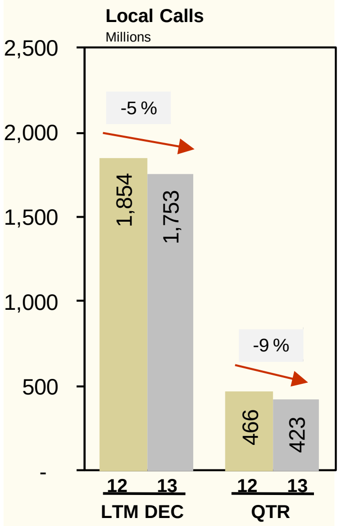
***Mass Market*.** Revenues totaled Ps. 872 million in the fourth quarter of 2013, compared to Ps. 921 million for the same quarter in 2012, a decrease of 5%, mainly due to a 13% decrease in both local and long distance revenues, partially compensated by a 32% increase in internet and video services. For the twelve month period ended December 31, 2013, revenues totaled Ps. 3,523 million, a decrease of 4% compared to the same period in 2012, mostly explained by a 12% decrease in both local and long distance revenues and partially offset by a 29% increase in internet and video services.

Enterprise (including Government). Revenues for this segment amounted to Ps. 1,598 million in the three month period ended December 31, 2013, an increase of 45% versus the same period in 2012. This is mostly explained by a 195% increase in integrated services and equipment sales. For the twelve month period ended December 31, 2013, revenues increased 8%, from Ps. 4,768 million registered in the twelve month period ended December 31, 2012, to Ps. 5,136 million in 2013. This is due to increases of 27% and 46% in integrated services and internet and video services respectively.

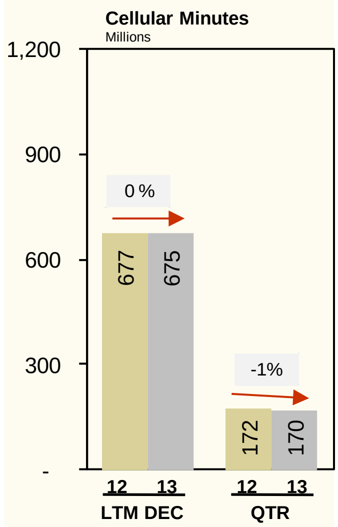
***Interconnection, Public Telephony and Carriers*.** Revenues for this segment declined 23%, from Ps. 208 million in the fourth quarter 2012 to Ps. 160 million in 2013, mainly due to a 44% decrease in dedicated internet revenues. For the twelve month period ended December 31, 2013, revenues reached Ps. 696 million, a decline of 22% compared to the same period in 2012, primarily explained by 24%, 15% and 26% decreases in local, long distance and data revenues respectively.

(*) Excludes International Traffic and Major Wholesale Customer

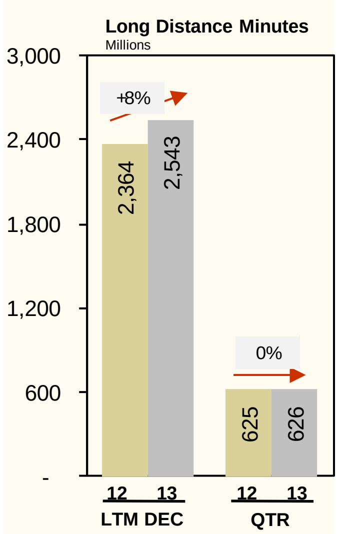
Consumption



Local Calls. Local calls excluding our largest wholesale customer totaled 419 million calls in the fourth quarter of 2013, compared to 461 million calls for same period in 2012, representing a decrease of 9%. Billed local calls decreased 19 million or 21%, while local calls included in commercial offers decreased by 23 million or 6%. Residential and business customers contributed with 2 million and 17 million calls, respectively, to the decline in billed local calls. Local calls included in commercial offers represented 83% of total calls in the fourth quarter of 2013, compared to 80% in the year-earlier quarter. For the twelve month period ended December 31, 2013, local calls totaled 1,736 million excluding our largest wholesale customer, compared to 1,818 million registered in the same period in 2012, a decrease of 82 million calls or 5%.



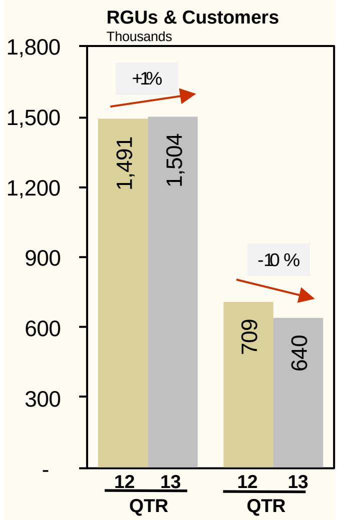
Cellular ("Calling Party Pays"). Minutes of use of calls completed to a cellular line excluding our largest wholesale customer amounted to 169 million in the three month period ended December 31, 2013, compared to 170 million in the same period in 2012, a decrease of 1%. Billed cellular minutes decreased 9 million or 8%, while minutes in modules included in a monthly rent increased 8 million minutes or 17%. Billed cellular minutes represented 67% of cellular minutes in the fourth quarter of 2013, compared to 72% in the year-earlier quarter. For the twelve month period ended December 31, 2013 and excluding our largest wholesale customer, cellular minutes reached 671 million, a 3 million increase compared to the same period in 2012.



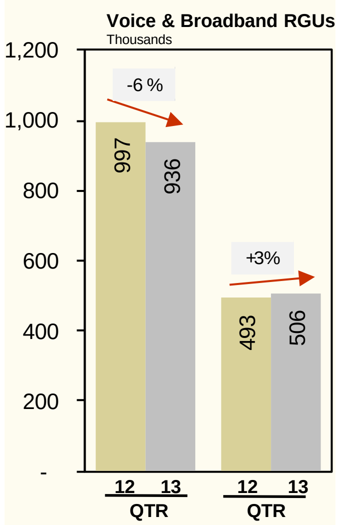
Long distance. Excluding our largest wholesale customer, which represents 12% of total volume, outgoing long distance minutes amounted to 550 million for the three month period ended December 31, 2013, from 547 million in the same period in 2012, a 3 million increase. This, resulting from a 12% decrease and 3% increase in traffic from residential and business customers, respectively. Billed long distance minutes during the fourth quarter of 2013 remained unchanged compared to the same period in 2012. Domestic long distance minutes represented 96% of total traffic during the quarter. For the twelve month period ended December 31, 2013 and excluding our largest wholesale customer, outgoing long distance minutes amounted 2,223 million, compared to 2,022 million registered in 2012, an increase of 10%, explained by increased traffic from business customers, particularly in billed long distance minutes.

Operating Data

***RGUs(8) and Customers*.** As of December 31, 2013, RGUs (Revenue Generating Units) totaled 1,504 thousand. During the fourth quarter of 2013, there were 30 thousand net-additions, compared to 19 thousand net-disconnections in the fourth quarter of 2012, attributable to the addition of video RGUs and a decrease in wireless disconnections. As of December 31, 2013, customers totaled 640 thousand, a decline of 69 thousand from the same date in 2012. Total customers declined 4 thousand on a sequential basis.

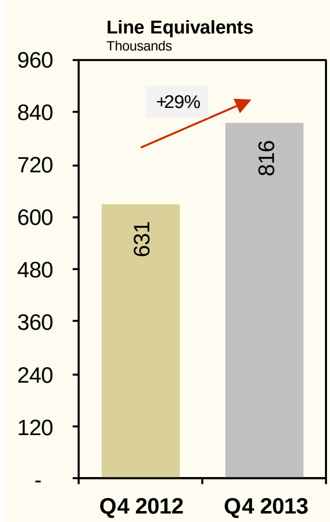


***Voice RGUs (lines in service)*.** As of December 31, 2013, lines in service totaled 936 thousand. During the fourth quarter of 2013 and fourth quarter 2012, gross additional lines totaled 56 and 50 thousand respectively. Disconnections in the fourth quarter of 2013 totaled 56 thousand compared to 74 thousand in the year-earlier quarter. Lines in service in the fourth quarter of 2013 increased 2 thousand, compared to a decrease of 23 thousand in the same period of 2012. As of December 31, 2013, residential lines represented 62% of total lines in service.

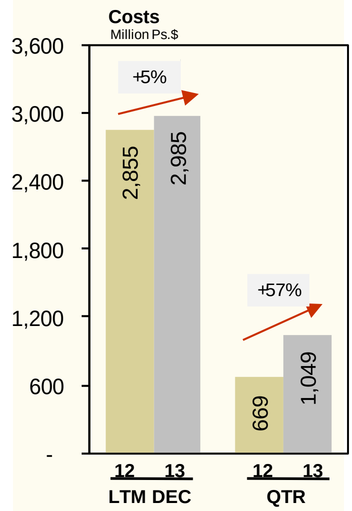


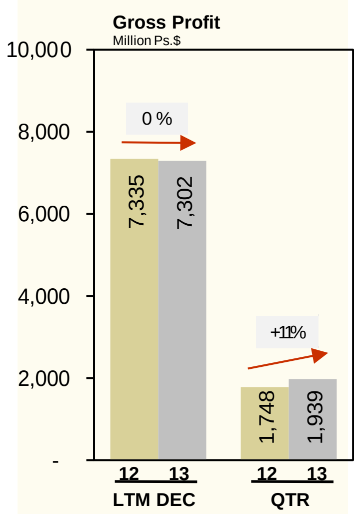
***Broadband RGUs (broadband subscribers)*.** Broadband subscribers increased 3% year-over-year totaling 506 thousand as of December 31, 2013. During the fourth quarter of 2013, broadband subscribers net-additions totaled 14 thousand compared to 3 thousand in the same period of 2012. As of December 31, 2013, WiMAX broadband subs reached 347 thousand, compared to 377 thousand a year ago, while AXTEL X-tremo, or FTTH customers, totaled 148 thousand compared to 100 thousand a year ago. Broadband penetration reached 54% at the end of the fourth quarter of 2013, compared to 49% a year ago.

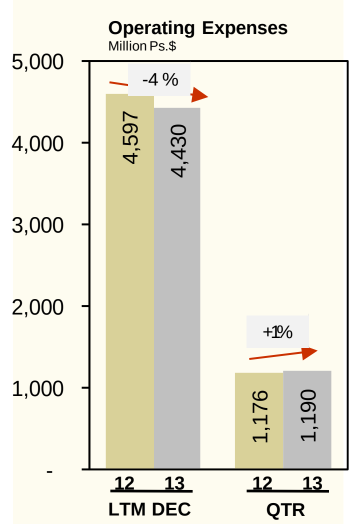
***Video subscribers*.** Axtel launched its pay-television service, AXTEL TV, on January 30th, 2013, and as of December 31, 2013, video subscribers reached 61 thousand. Video subscribers totaled 47 thousand at the beginning of the quarter.



***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 December 31, 2013, line equivalents totaled 816 thousand, 29% increase.





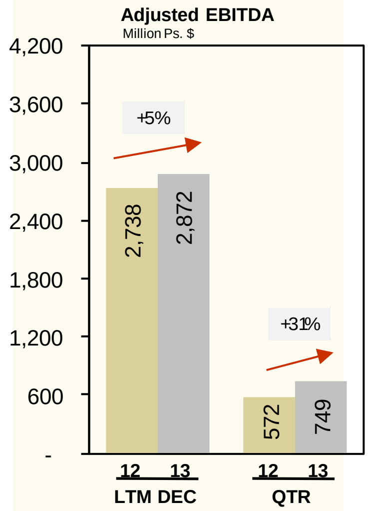


Cost of Revenues and Operating Expenses

Cost of Revenues. For the three month period ended December 31, 2013, the cost of revenues represented Ps. 1,049 million, an increase of 57% or Ps. 379 million, compared with the same period of year 2012, mainly explained by increases of 187% in integrated services and equipment sales costs and 123% in international traffic costs. For the twelve month period ended December 31, 2013, cost of revenues reached Ps. 2,985 million, an increase of Ps. 130 million in comparison with year 2012, mainly due to increases in international traffic costs.

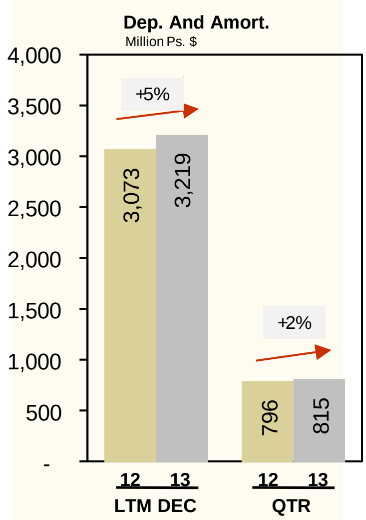
Gross Profit. Gross profit is defined as revenues minus cost of revenues. For the fourth quarter of 2013, the gross profit accounted for Ps. 1,939 million, an increase of 11% or Ps. 191 million compared with the same period in year 2012. The gross profit margin decreased from 72.3% to 64.9% year-over-year, significantly influenced by the international traffic margin, which declined from 6% to less than 3% year-over-year. For the twelve month period ended December 31, 2013, our gross profit totaled Ps. 7,302 million, compared to Ps. 7,335 million recorded in year 2012, a decrease of Ps. 33 million.

Operating expenses. In the fourth quarter of year 2013, operating expenses totaled Ps. 1,190 million, Ps. 14 million or 1% higher than the Ps. 1,176 million recorded in the same period in year 2012, explained mainly by Ps. 49 million increase in rents due to the towers lease expense, partially offset by Ps. 24 million decrease in maintenance related to buildings vacated during fourth quarter 2012 and first quarter 2013. For the twelve month period ended December 31, 2013, operating expenses totaled Ps. 4,430 million, coming from Ps. 4,597 million in the same period in 2012. Personnel represented 40% of total operating expenses in the twelve month period ended December 31, 2013.

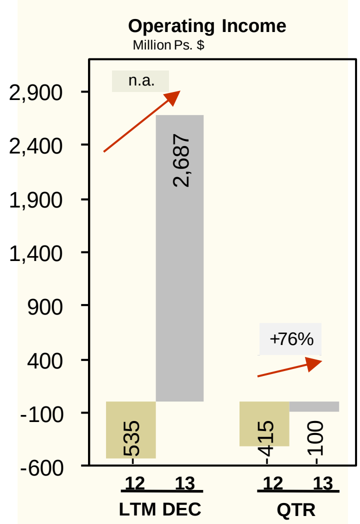


Adjusted EBITDA, D&A and Operating Income

***Adjusted EBITDA*[5].** The Adjusted EBITDA totaled Ps. 749 million for the three month period ended December 31, 2013, compared to Ps. 572 million for the same period in 2012. As a percentage of total revenues, Adjusted EBITDA margin represented 25.1% in the fourth quarter of 2013, 140 bps higher than the margin recorded in the year-earlier quarter. For the twelve month period ended December 31, 2013, Adjusted EBITDA amounted to Ps. 2,872 million, compared to Ps. 2,738 million in year 2012, a 5% increase.



***Depreciation and Amortization*[10].** Depreciation and amortization totaled Ps. 815 million in the three month period ending on December 31, 2013 compared to Ps. 796 million for the same period in year 2012. Depreciation and amortization for the twelve month period ended December 31, 2013 reached Ps. 3,219 million, from Ps. 3,073 million in the same period in year 2012, an increase of Ps. 145 million.



Operating Income (loss). In the three month period ended December 31, 2013, the Company recorded an operating loss of Ps. 100 million compared to an operating loss of Ps. 415 million registered in the same period in year 2012. For the twelve month period ended December 31, 2013 our operating income reached Ps. 2,687 million when compared to the operating loss of Ps. 535 million in the same period of year 2012, a variation of Ps. 3,222 million mainly explained by the gain related to the sale of the telecommunication towers in January 2013.

CFR, Indebtedness and Cash

Comprehensive Financial Result

Million Pesos	Q4 2013	Q4 2012	4Q/4Q12 Δ%	Q3 2013	LTM Q4 2013	LTM Q4 2012
Net interest expense	(209)	(270)	-22%	(170)	(866)	(1,036)
FX gain (loss), net	(41)	(80)	49%	91	40	798
Result from debt exchange	29	-	n.a.	(3)	1,569	-
Ch. in FV of fin. Instruments	32	(9)	n.a.	(15)	(5)	(109)
Total	**(190)**	**(359)**	**47%**	**(97)**	**737**	**(347)**

Comprehensive financial result. Net interest expense for the fourth quarter 2013 decreased Ps. 61 million vis-à-vis the fourth quarter 2012, due to the debt reduction implemented in the first quarter of 2013. During the fourth quarter 2013, a 0.5% peso depreciation against the U.S. dollar generated a Ps. 41 million FX loss. In the fourth quarter of 2012, an FX loss of Ps. 80 million was generated by a 0.7% peso depreciation. Concerning variations in the fair value of financial instruments, these are explained by 17% increase and 9% decrease in the price of AXTELCPO during the fourth quarters of 2013 and 2012, respectively, which affected the valuation of AXTEL's position held in its own stock through the zero-strike-calls instruments. The Ps. 737 million comprehensive financial gain for year ended in December 2013, compared to a Ps. 347 million comprehensive financial loss for year ended in December 2012, is mainly explained by the gain resulting from the debt exchange in the first quarter of 2013 and a 16% decrease in interest expenses in 2013.

Total Debt as of the end of each period

Million Pesos	Q4 2013	Q4 2012	Q3 2013
2017 Senior Notes	659	3,578	1,730
2019 Senior Notes	1,330	6,375	1,751
2020 Senior Secured Notes	5,161	-	3,524
2020 Senior Secured Convertible Notes	288		
Other financing obligations	183	136	175
Financial Leases	393	434	303
Bank Facilities	-	1,058	-
Notes Premium (discount)	(22)	42	10
Notes issuance and deferred financing costs	(18)	(156)	(29)
FV option convertible bond	(111)	-	-
Total Debt	**7,864**	**11,467**	**7,465**
(+/-) Mark-to-market Derivative Instruments	-	47	-
(-) Cash and cash equivalents	(1,292)	(608)	(633)
Net Debt	**6,572**	**10,905**	**6,832**

Debt. At the end of the fourth quarter of 2013, total debt decreased Ps. 3,602 million in comparison with the same date in 2012, explained by (i) a Ps. 2,663 million net reduction related to the January and December 2013 exchanges of the senior notes due 2017 and 2019, (ii) a Ps. 1,058 million decrease in bank debt related to the prepayment of the syndicated bank facility, (iii) an increase of Ps. 5 million in leases and financial obligations, (iv) a Ps. 138 million decrease in notes issuance and deferred financing costs, and (v) a Ps. 39 million non-cash increase caused by the 0.5% depreciation of the Mexican peso.

Cash. As of the end of the fourth quarter of 2013, the cash and equivalents balance totaled Ps. 1,292 million, compared to Ps. 608 million a year ago, and Ps. 633 million at the beginning of the quarter. As of the end of the quarter, 49 percent of the cash balance was maintained in dollars, the rest in pesos.

Investments and Derivative Instruments

Capital Investments. In the fourth quarter of 2013, capital investments totaled Ps. 884 million, or $68 million, compared to Ps. 545 million, or $42 million, in the year-earlier quarter. For 2013, capital investments totaled Ps. 2,118 million, or $166 million, compared to Ps. 2,016 million, or $153 million, for 2012.

Other Investments. As of December 31, 2013, the Company maintained an economic position equivalent to 30.4 million AXTELCPOs in ZSC.

Derivative Instruments. The following table summarizes the Company's derivatives position as of December 31, 2013.

	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 2014
Valuation			Ps. 142.3 million

At the end of the quarter, the Company's balance sheet recorded a liability of Ps. 117 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 December 31, 2013 and 2012, and September 30, 2013; and twelve month period ending on December 31, 2013 and 2012, and

   – Balance sheet information as of December 31, 2013 and 2012; and September 30, 2013.

2) Revenues are derived from:

   i. Local services. We generate revenue by enabling our customers to originate and receive calls within a defined local service area and by providing offers with local calls, calls completed on a cellular line ("calling party pays," or CPP calls) and long distance minutes included in the monthly rent. Customers are charged a flat monthly fee for a variety of commercial offers and in certain offers, a per call fee for local calls ("measured service"), a per minute usage fee for CPP calls and value added services.

   ii. Long distance services. We generate revenues by providing long distance services (domestic and international completed calls).

   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, like 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.

3) Cost 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.

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. For additional detail on the Adjusted EBITDA Reconciliation, go to AXTEL's web site at www.axtel.mx.

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 8,678,441,546, respectively, as of December 31, 2013.

Other important information

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) Breakdown of AXTEL's revenues including its major wholesale customer:

Sources of Revenues

Million Pesos	Q4 2013	Q4 2012	Q3 2013	LTM dic-13	LTM dic-12
Local	762	880	787	3,208	3,619
Long Distance	276	306	292	1,140	1,236
Internet & Video	289	224	274	1,043	799
Data & Network	444	495	450	1,860	1,998
Int. Service & Eq. Sale	823	284	565	1,884	1,494
Int'l. Traffic	313	146	156	764	655
Other	82	84	106	387	388
	2,988	**2,418**	**2,630**	**10,286**	**10,190**

10) Depreciation and amortization includes depreciation of all communications network and equipment and amortization of pre-operating expenses and cost of spectrum licenses, among others.

11) 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.

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 on www.axtel.mx

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

Unaudited Consolidated Balance Sheet
December 31, 2013 and 2012 and September 30, 2013
(figures in Thousands of Mexican pesos)

ASSETS	December-2013	September-2013	December-2012
Current assets			
Cash and equivalents	1,292,263	632,994	597,201
Restricted cash	-	-	10,709
Accounts receivable	2,981,732	2,967,601	2,406,764
Refundable taxes and other accounts receivable	291,410	272,966	232,508
Advances to suppliers	65,578	115,911	52,188
Inventories	106,313	90,771	105,471
Financial Instruments (Zero Strike Call)	142,200	121,235	88,419
Financial Instruments (others)	-	-	-
Assets classified as held for sale	-	-	460,462
Total current assets	**4,879,496**	**4,201,478**	**3,953,722**
Non current assets			
Property, plant and equipment, net	13,187,187	12,908,798	13,997,994
Long-term accounts receivable	333,751	360,145	15,470
Intangible assets, net	223,792	236,407	288,622
Deferred income taxes	1,101,937	1,066,013	2,081,718
Investment in assoc. Cos. & other investments	11,640	9,585	9,647
Other assets	144,849	138,922	153,158
Total non current assets	**15,003,156**	**14,719,870**	**16,546,609**
TOTAL ASSETS	**19,882,652**	**18,921,348**	**20,500,331**
LIABILITIES			
Current liabilities			
Account payable & Accrued expenses	2,741,308	2,172,725	2,404,471
Accrued Interest	278,807	105,870	276,043
Short-term debt	-	-	-
Current portion of long-term debt	308,945	272,415	411,969
Taxes payable	285,987	323,590	135,703
Derivative Financial Instruments	-	-	46,532
Deferred Revenue	583,915	505,283	631,298
Provisions	-	-	281,808
Other accounts payable	100,473	146,273	106,702
Total current liabilities	**4,299,435**	**3,526,156**	**4,294,526**
Long-term debt			
Long-term debt	7,555,374	7,065,493	11,054,645
Derivative Financial Instruments	116,658	126,714	-
Employee Benefits	21,330	21,025	19,452
Deferred revenue	33,900	33,900	33,900
Other LT liabilities	328,297	352,655	9,534
Total long-term debt	**8,055,559**	**7,599,787**	**11,117,531**
TOTAL LIABILITIES	**12,354,994**	**11,125,943**	**15,412,057**
STOCKHOLDERS EQUITY			
Capital stock	6,627,890	6,625,919	6,625,536
Additional paid-in capital	644,710	644,710	644,710
Reserve for repurchase of shares	162,334	162,334	162,334
Cumulative earnings (losses)	92,724	362,442	(2,314,955)
Change in the fair value of derivative instruments	-	-	(29,351)
TOTAL STOCKHOLDERS EQUITY	**7,527,658**	**7,795,405**	**5,088,274**
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	**19,882,652**	**18,921,348**	**20,500,331**

Axtel, S.A.B. de C.V. and Subsidiaries
Unaudited Consolidated Income Statement
Periods ended December 31, 2013 and 2012
(figures in Thousands of Mexican pesos)

	Fourth Quarter ended December 31			LTM ended December 31		
	2013	2012	Δ%	2013	2012	Δ%
Rental. Installation, service and other income	2,987,711	2,417,722	24%	10,286,494	10,189,732	1%
Operating cost and expenses						
Cost of sales and services	(1,048,711)	(669,287)	57%	(2,984,573)	(2,854,785)	5%
Selling and administrative expenses	(1,190,207)	(1,176,367)	1%	(4,429,798)	(4,596,598)	-4%
Other income (expenses), net	(33,921)	(190,812)	-82%	(78,844)	(199,987)	-61%
Gain in sale of telecommunication towers	-	-	n.a.	3,111,948	-	n.a.
Depreciation and amortization	(814,519)	(796,072)	2%	(3,218,539)	(3,073,240)	5%
	(3,087,358)	(2,832,538)	9%	(7,599,806)	(10,724,610)	-29%
Operating income (loss)	(99,647)	(414,816)	-76%	2,686,688	(534,878)	n.a.
Comprehensive financing result:						
Interest expense	(213,429)	(274,731)	-22%	(882,454)	(1,057,513)	-17%
Interest income	4,016	4,805	-16%	16,229	21,967	-26%
Foreign exchange gain (loss), net	(41,005)	(80,475)	-49%	39,682	797,630	-95%
Result from the exchange of debt, net	28,800	-	n.a.	1,568,983	-	n.a.
Change in the fair value of derivative inst.	31,653	(8,508)	n.a.	(5,303)	(109,197)	-95%
Comprehensive financing result, net	(189,965)	(358,909)	-47%	737,137	(347,113)	n.a.
Equity in results of associated company	2,055	(4)	n.a.	1,992	(20)	n.a.
Income (loss) before income taxes,	(287,557)	(773,729)	-63%	3,425,817	(882,011)	n.a.
Income tax	-	-	n.a.	-	-	
Deferred income tax	(17,966)	(8,477)	112%	(50,817)	(53,022)	-4%
IETU	35,805	192,359	-81%	(967,321)	226,164	n.a.
Deferred IETU	-	-	n.a.	-	-	n.a.
Total income tax	17,839	183,882	-90%	(1,018,138)	173,142	n.a.
Net Income (Loss)	(269,718)	(589,847)	-54%	2,407,679	(708,869)	n.a.

Axtel, S.A.B. de C.V. and Subsidiaries
International financial reporting standards Adjusted EBITDA Reconciliation
(Figures in Thousands of Mexican pesos)

		Fourth Quarter ended December 31				LTM ended December 31		
		2013	2012	Δ%		2013	2012	Δ%
Net Income (Loss)	Ps.$	(269,718)	(589,847)	-54%	Ps.$	2,407,679	(708,869)	n.a.
Depreciation and Amortization		(814,519)	(796,072)	2%		(3,218,539)	(3,073,240)	5%
Interest Expense, Net		(209,413)	(269,926)	-22%		(866,225)	(1,035,546)	-16%
Total Income Tax		17,839	183,882	-90%		(1,018,138)	173,142	n.a.
EBITDA		736,375	292,269	152%		7,510,581	3,226,775	133%
FX Gain (Loss), Net		(41,005)	(80,475)	-49%		39,682	797,630	-95%
Result from exchange of debt, net		28,800	-	n.a.		1,568,983	-	n.a.
Ch. in fair value of derivative inst.		31,653	(8,508)	n.a.		(5,303)	(109,197)	-95%
Other income (expense), Net		(33,921)	(190,812)	-82%		3,033,104	(199,987)	n.a.
Eq. Results in an asso. Co.		2,055	(4)	n.a.		1,992	(20)	n.a.
Adjusted EBITDA	Ps.$	748,793	572,068	31%	Ps.$	2,872,123	2,738,349	5%