

San Pedro Garza Garcia, Mexico, February 10, 2016 - 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, 2015⁽¹⁾.

Million Pesos	Q4	Q4	4Q15/4Q14	Q3	LTM	
	2015	2014	Δ%	2015	dic-15	dic-14
Revenues ⁽²⁾	2,832	2,383	19%	2,360	10,150	10,597
Costs ⁽³⁾	803	505	59%	444	2,300	3,097
Operating Expenses ⁽⁴⁾	1,265	1,091	16%	1,135	4,720	4,477
Adjusted EBITDA ⁽⁵⁾	764	786	-3%	781	3,131	3,023
Adj. EBITDA Margin	27.0%	33.0%	- 605 bps	33.1%	30.8%	28.5%
Net (loss) Income	-590	-1,028	43%	-768	-1,718	-1,919
Earnings per CPO ⁽⁶⁾	-0.44	-0.76	43%	-0.57	-1.27	-1.42
Capital Expenditures	473	758	-38%	515	2,011	2,837
Net Debt / Adj EBITDA ⁽⁷⁾					3.3x	2.7x

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Highlights:

- ❖ The merger of Axtel and Alestra was closed on January 15th with the approval of Axtel shareholders, among other conditions. This transaction will be effective on February 15th, 2016. On this date, Axtel will become a subsidiary of Alfa S.A.B. de C.V., which will hold 51% of the combined entity equity. The remaining 49% will be owned by existing Axtel shareholders.
- ❖ As previously mentioned, the merger represents a key strategic action that strengthens Axtel's competitive position and creates significant value from operational and financial synergies.
- ❖ On January 15th, the Company also signed a US\$750 million credit agreement to refinance all of Axtel's existing Senior Notes maturing in 2017, 2019 and 2020. This refinancing will generate substantial interest expense savings.
- ❖ Axtel's Adjusted EBITDA for 2015 increased 4%, in line with the guidance provided at the beginning of the year, resulting from the positive performance of the enterprise and government segment, as well as an improved second semester for the FTTH business.

Sources of Revenues

Million Pesos	4Q15/4Q14				LTM	LTM
	Q4 2015	Q4 2014	Δ%	Q3 2015	dic-15	dic-14
Rents	541	616	-12%	545	2,204	2,399
Voice	294	372	-21%	277	1,135	1,587
Internet & Video	386	353	9%	375	1,482	1,337
Data & Network	504	494	2%	514	2,018	1,898
Int. Service & Eq. Sale	1,032	257	302%	504	2,800	1,779
Int'l. Traffic	27	175	-85%	74	274	1,234
Other	49	115	-57%	72	237	364
	2,832	2,383	19%	2,360	10,150	10,597

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. 541 million in the fourth quarter of 2015, compared to Ps. 616 million for same period in 2014, representing a 12% decrease related to a 13% decrease in the average number of customers. For the twelve month period ended December 31, 2015, rents revenues decreased 8% due to, among others, a 7% decline in the average number of lines in service.

Voice Services. Revenues amounted to Ps. 294 million in the fourth quarter of 2015, compared to Ps. 372 million in the same period in 2014, a 21% 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 December 31, 2015, voice revenues totaled Ps. 1,135 million compared to Ps. 1,587 million registered in 2014, a 28% decline also due to the elimination of domestic long distance charges in 2015.

Internet & Video. Quarterly revenues totaled Ps. 386 million, compared to Ps. 353 million in the same period in 2014, a 9% increase driven by a 39% increase in the pay-tv service and a 1% increase in mass market internet services revenues. During the twelve month period ended on December 31, 2015, internet and video services revenues totaled Ps. 1,482 million from Ps. 1,337 million registered in 2014, an increase of Ps.145 million, or 11%, due to increased penetration of video services within the FTTH client base.

Data & Network. Data and network revenues amounted to Ps. 504 million in the fourth quarter of 2015, compared to Ps. 494 million in the same period in 2014, a 2% or Ps. 10 million increase driven by a 14% increase in private lines, partially mitigated by a 3% decrease in dedicated internet to the enterprise segment. During the twelve month period ended on December 31, 2015, data and network services revenues totaled Ps. 2,018 million from Ps. 1,898 million registered in 2014, a 6% increase.

Sources of Revenues

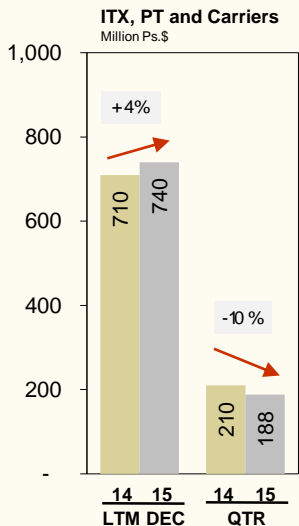
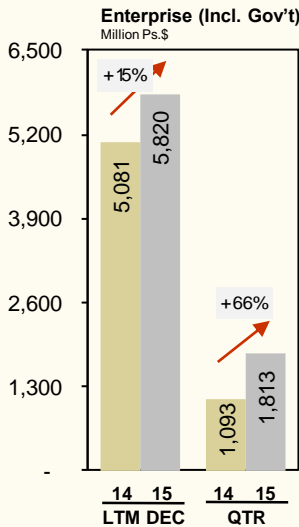
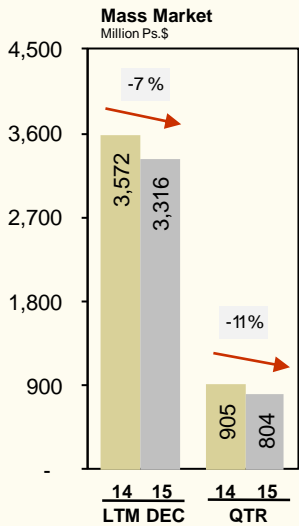
Million Pesos	4Q15/4Q14				LTM	LTM
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Rents	541	616	-12%	545	2,204	2,399
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Other	49	115	-57%	72	237	364
	2,832	2,383	19%	2,360	10,150	10,597

Integrated Services & Equipment Sales. Quarterly revenues totaled Ps. 1,032 million in the fourth quarter of 2015, from Ps. 257 million in the same quarter of previous year, a 300% increase due to revenues flowing from existing and new projects closed during the last four quarters with both enterprise and government entities and an extraordinary high level of equipment sale during the quarter. For the twelve month period ended December 31, 2015, revenues totaled Ps. 2,800 million from Ps. 1,779 million registered in 2014, a 57% increase.

International traffic. In the fourth quarter of 2015, international traffic revenues totaled Ps. 27 million, a decrease of Ps. 149 million or 85% versus the same quarter of previous year, explained mainly by declines in volume and prices of mobile calls and the elimination of high-priced transit traffic, or traffic that terminates in other countries and not in Mexico. For the twelve month period ended December 31, 2015, revenues from international traffic totaled Ps. 274 million from Ps. 1,234 million in the same period in 2014, a 78% decrease also explained by a decline in volume and prices of mobile traffic and the elimination of transit traffic.

Other services. Quarterly revenues from other services totaled Ps. 49 million in the fourth quarter of 2015, from Ps. 115 million in the same quarter of previous year, a 57% decrease due to an extraordinary high level of interconnection revenues last year. For the twelve month period ended December 31, 2015, revenues totaled Ps. 237 million from Ps. 364 million registered in 2014, a decrease of Ps. 127 million, or 35%.

Revenues by segment *

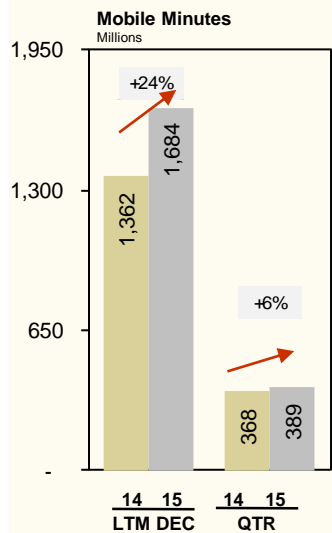
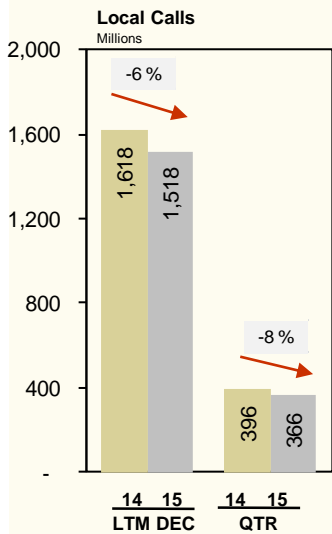


Mass Market. Revenues totaled Ps. 804 million in the fourth quarter of 2015, an 11% decrease compared to the same quarter in 2014. This was mainly due to continued disconnections in wireless (or legacy technology) customers and elimination of domestic long distance charges which translated into 14% and 44% decreases in rent and voice revenues. The decline was partially compensated by an 8% increase in internet and video revenues. For the twelve month period ended December 31, 2015, revenues totaled Ps. 3,316 million, a 7% decrease compared to the same period in 2014, also due to declines in rent and national long distance revenues and decline in mobile traffic prices.

Enterprise (including Government). Revenues for this segment amounted to Ps. 1,813 million in the three month period ended December 31, 2015, an increase of 66% versus the same period in 2014. This is mostly explained by a 309% increase in integrated services and equipment sales revenues, partially mitigated by an 18% decline in voice revenues mainly due to the elimination of national long distance charges. For the twelve month period ended December 31, 2015, revenues increased 15% due to a higher level of integrated services and equipment sales revenues during 2015.

Interconnection, Public Telephony and Carriers. Revenues for this segment totaled Ps. 188 million in the fourth quarter 2015, a 10% decrease mostly due to an extraordinary high level of interconnection revenues in the fourth quarter of 2014. For the twelve month period ended December 31, 2015, revenues reached Ps. 740 million, an increase of 4% compared to the same period in 2014 due to an increase in private lines revenues.

(*) Excludes International Traffic

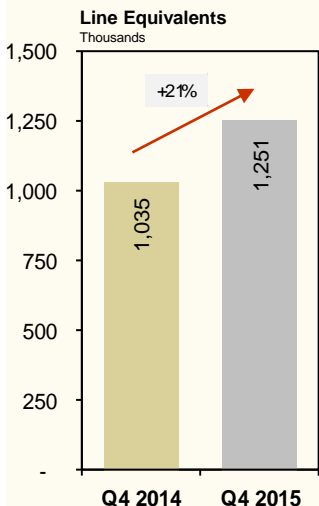
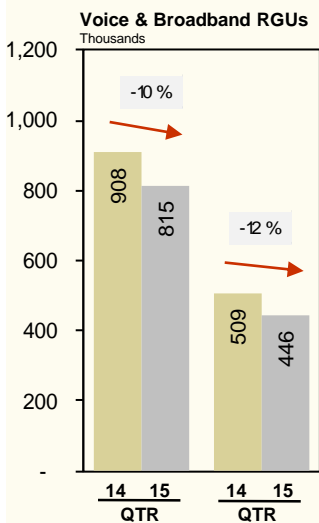
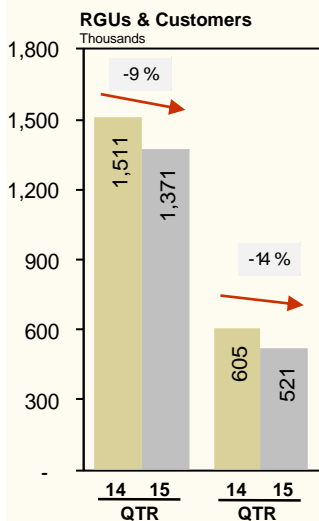


Consumption

Local Calls. Local calls totaled 366 million in the fourth quarter of 2015, compared to 396 million calls for the same period in 2014, representing an 8% decrease. Billed local calls increased 26% 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 16% and represented 73% of total calls in the fourth quarter of 2015. For the twelve month period ended December 31, 2015, local calls decreased 6% compared to the same period in 2014, due to a decrease in calls included in commercial offers.

Mobile (“Calling Party Pays”). Minutes of use of calls completed to a cellular line amounted to 389 million in the three month period ended December 31, 2015, compared to 368 million in the same period in 2014, a 6% increase. This was mainly due to a 10% increase in billed minutes related to 045 cellular minutes due to the elimination of long distance charges. Billed cellular minutes represented 85% of cellular minutes in the fourth quarter of 2015, compared to 83% in the year-earlier quarter. For the twelve month period ended December 31, 2015, cellular minutes increased 24% compared to the same period in 2014, mainly due to a 17% increase in billed 045 cellular minutes.

Operating Data



RGUs⁽⁸⁾ and Customers. As of December 31, 2015, RGUs (Revenue Generating Units) totaled 1,371 thousand. During the fourth quarter of 2015, there were 29 thousand net disconnections, compared to 16 thousand net disconnections in the fourth quarter of 2014 due to a greater number of wireless disconnections in 2015. As of December 31, 2015, customers totaled 521 thousand, a decline of 84 thousand from the same date in 2014. Total customers declined 23 thousand on a sequential basis.

Voice RGUs (lines in service). As of December 31, 2015, lines in service totaled 815 thousand. During the fourth quarter of 2015 and fourth quarter 2014, gross additional lines totaled 41 and 42 thousand respectively. Disconnections in the fourth quarter 2015 totaled 62 thousand compared to 56 thousand in the year-earlier quarter. Lines in service in the fourth quarter of 2015 decreased 21 thousand, compared to a decrease of 14 thousand in the same period of 2014. As of December 31, 2015, residential lines represented 53% of total lines in service.

Broadband RGUs (broadband subscribers). Broadband subscribers decreased 12% year-over-year totaling 446 thousand as of December 31, 2015. During the fourth quarter of 2015, broadband subscribers' net disconnections totaled 14 thousand compared to 9 thousand in the same period of 2014, due to larger disconnections of wireless subscribers this quarter. As of December 31, 2015, wireless broadband subs reached 241 thousand, compared to 330 thousand a year ago, while AXTEL X-tremo, or FTTH customers, totaled 206 thousand compared to 179 thousand a year ago. Broadband penetration has remained at 55% during the past year.

Video subscribers. As of December 31, 2015, video subscribers reached 109 thousand compared to 94 thousand a year ago, a 16% increase.

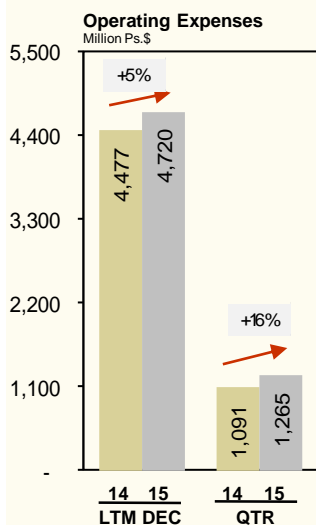
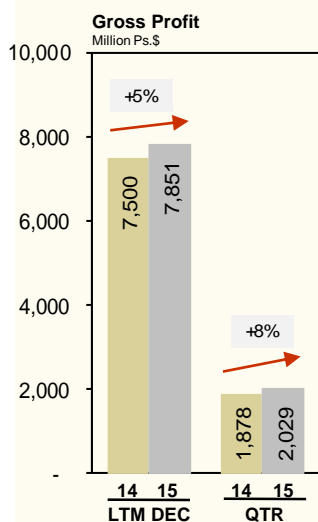
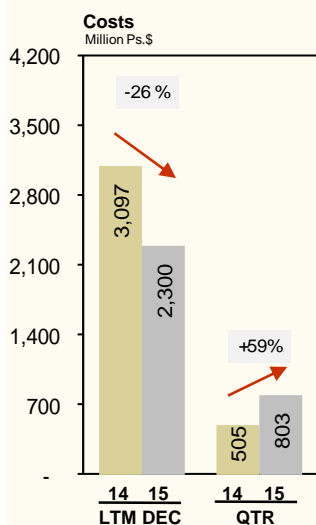
Line equivalents (E0 equivalents). We offer from 64 kilobytes per second ("KBps") up to 200 megabytes per second ("MBps") dedicated data links in all of our thirty-nine existing cities. We account for data links by converting them to E0 equivalents in order to standardize our comparisons versus the industry. As of December 31, 2015, line equivalents totaled 1,251 thousand, a 21% increase.

Cost of Revenues and Operating Expenses

Cost of Revenues. For the three month period ended December 31, 2015, the cost of revenues represented Ps. 803 million, an increase of 59% or Ps. 298 million, compared with the same period of year 2014, explained by an increase in integrated services and equipment sale costs, partially mitigated by a decrease in international traffic costs due to the elimination of transit traffic in 2015. For the twelve month period ended December 31, 2015, cost of revenues reached Ps. 2,300 million, a 26% decrease in comparison with the twelve month period ended December 31, 2014, mainly due to declines in fixed to mobile termination costs and in international traffic costs due to the elimination of transit traffic, or traffic that terminates outside of Mexico.

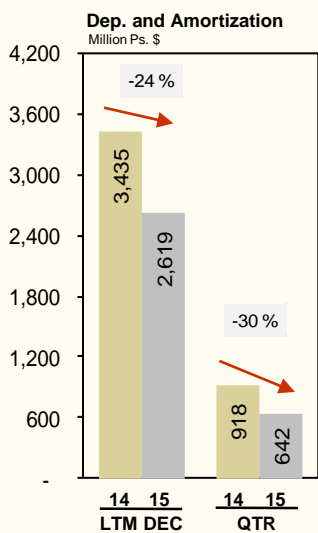
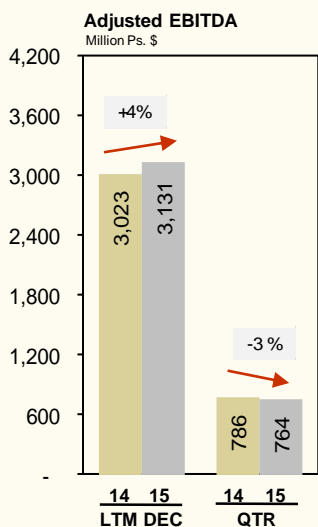
Gross Profit. Gross profit is defined as revenues minus cost of revenues. For the fourth quarter of 2015, the gross profit accounted for Ps. 2,029 million, 8% higher than the same period in year 2014. The gross profit margin decreased from 78.8% to 71.6% year-over-year, mainly due to the increase in integrated services and equipment sale revenues which have lower margins. For the twelve month period ended December 31, 2015, our gross profit totaled Ps. 7,851 million, compared to Ps. 7,500 million recorded in year 2014, an increase of Ps. 351 million or 5%, due to a higher level of internet and video, integrated services and data and network revenues.

Operating expenses. In the fourth quarter of year 2015, operating expenses totaled Ps. 1,265 million, Ps. 174 million or 16% higher than the Ps. 1,091 million recorded in the same period in year 2014, explained mainly by increases in outsourced maintenance expenses related to enterprise projects, in rents and maintenance expenses denominated in dollars due to the peso devaluation and in personnel-related expenses due to the annual salary increase and higher number of employees allocated to integrated services projects. For the twelve month period ended December 31, 2015, operating expenses totaled Ps. 4,720 million, 5% higher than the Ps. 4,477 million of the same period in 2014. Personnel represented 41% of total operating expenses in the twelve month period ended December 31, 2015.

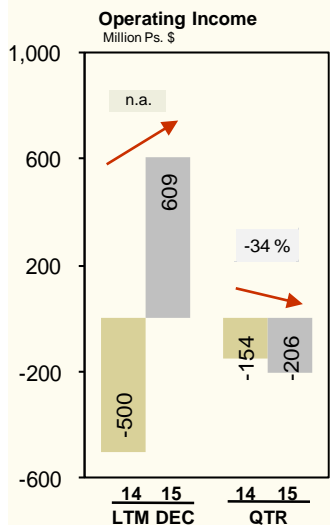


Adjusted EBITDA, D&A and Operating Income

Adjusted EBITDA⁽⁵⁾. The Adjusted EBITDA totaled Ps. 764 million for the three month period ended December 31, 2015, a 3% decrease compared to Ps. 786 million for the same period in 2014. As a percentage of total revenues, Adjusted EBITDA margin represented 27.0% in the fourth quarter of 2015, 605 bps lower than the margin recorded in the year-earlier quarter. For the twelve month period ended December 31, 2015, Adjusted EBITDA amounted to Ps. 3,131 million, compared to Ps. 3,023 million in year 2014, a 4% increase.



Depreciation and Amortization⁽⁹⁾. Depreciation and amortization totaled Ps. 642 million in the three month period ending on December 31, 2015 compared to Ps. 918 million for the same period in year 2014, a Ps. 276 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 December 31, 2015 reached Ps. 2,619 million, 24% lower than the Ps. 3,435 million registered in the same period in year 2014.



Operating Income (loss). In the three month period ended December 31, 2015, the Company recorded an operating loss of Ps. 206 million compared to an operating loss of Ps. 154 million registered in the same period in year 2014, resulting from a positive effect of lower depreciation and amortization, but negatively impacted by non-recurrent merger-related expenses. For the twelve month period ended December 31, 2015, operating income reached Ps. 609 million when compared to the operating loss of Ps. 500 million in the same period of year 2014, an increase of Ps. 1,109 million mainly explained by the agreement with America Movil in the first quarter of 2015 and a lower level of depreciation and amortization in year 2015.

CFR and Indebtedness

Comprehensive Financing Result

Million Pesos	4Q15/4Q14			LTM		
	Q4 2015	Q4 2014	Δ%	Q3 2015	Q4 2015	Q4 2014
Net interest expense	(309)	(275)	12%	(324)	(1,199)	(859)
FX gain (loss), net	(122)	(834)	-85%	(951)	(1,659)	(1,073)
Ch. in FV of fin. Instruments	56	(13)	n.a.	91	164	(21)
Total	(375)	(1,122)	-67%	(1,184)	(2,695)	(1,954)

Comprehensive financing result. Net interest expense for the fourth quarter 2015 increased Ps. 34 million due to the impact of the peso devaluation in our interest expense. During the fourth quarter of 2015, the peso depreciated 1% against the U.S. dollar generating a FX loss of Ps. 122 million; lower than the FX loss of Ps. 834 million during the fourth quarter of 2014 due to a 9% peso depreciation. Concerning variations in the fair value of financial instruments, these are partly explained by 10% increase and a 14% decrease in the price of AXTELCPO during the fourth quarter of 2015 and 2014 respectively, which affected the valuation of AXTEL's position held in its own stock through the financial (zero-strike call) instruments. The Ps. 2,695 million comprehensive financing loss for year ended in December 2015, compared to a Ps. 1,954 million loss for year ended in December 2014, is mainly explained by the increase in interest expense due to the step-up scheme in the 2020 Senior Secured Notes and the higher FX loss during 2015 due to a 15% depreciation of the peso against the U.S. dollar.

Total Debt as of the end of each period

Million Pesos	Q4 2015	Q4 2014	Q3 2015
2017 Senior Notes	867	742	857
2019 Senior Notes	1,750	1,497	1,730
2020 Senior Secured Notes	9,372	8,016	9,263
2020 Senior Secured Convertible Notes	64	209	146
Other loans and financing obligations	1,051	733	1,141
Notes Premium (discount)	(11)	(13)	(11)
Notes issuance and deferred financing costs	(94)	(117)	(100)
FV option convertible bond	(18)	(70)	(46)
Total Debt	12,982	10,996	12,979
(-) Cash and cash equivalents	(2,575)	(2,698)	(2,492)
Net Debt	10,406	8,298	10,487

Debt. At the end of the fourth quarter 2015, total debt increased Ps. 1,986 million in comparison with fourth quarter 2014, explained by (i) a Ps. 154 million decrease related to the conversion of some 2020 Secured Notes, (ii) an increase of Ps. 261 million in leases and other financial obligations mostly related to a Ps. 386 million increase in a capacity lease (IRU), (iii) a Ps. 26 million increase related to the notes' discount, issuance and deferred financing costs, (iv) a Ps. 51 million increase related to the implicit derivative instrument embedded in the Senior Secured Convertible Notes and (v) a Ps. 1,801 million non-cash increase caused by the 15% depreciation of the Mexican peso.

Cash, Investments and Derivative Instruments

Cash. As of the end of the fourth quarter of 2015, the cash and equivalents balance totaled Ps. 2,575 million, compared to Ps. 2,698 million a year ago, and Ps. 2,492 million at the beginning of the quarter. As of the end of the quarter, 71 percent of the cash balance was maintained in dollars, the rest in pesos.

Capital Investments. In the fourth quarter of 2015, capital investments totaled Ps. 473 million, or \$28 million, compared to Ps. 758 million, or \$55 million, in the year-earlier quarter. For the twelve month period ended December 31, 2015, capital investments totaled Ps. 2,011 million, or \$127 million, compared to Ps. 2,837 million, or \$213 million, for 2014.

Other Investments. As of December 31, 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 December 31, 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			May 2016
Valuation			Ps. 264.5 million
Notional Value	11.1 million AXTELCPO	Strike price: ¢1 per CPO	11.1 million AXTELCPO
Settlement			In cash
Expiration Date			January 2016
Valuation			Ps. 96.7 million
Notional Value	2.0 million AXTELCPO	Strike price: ¢1 per CPO	2.0 million AXTELCPO
Settlement			In cash
Expiration Date			January 2016
Valuation			Ps. 17.1 million

At the end of the quarter, the Company's balance sheet recorded a liability of Ps. 65 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, 2015 and 2014, and September 30, 2015; and twelve month period ending on December 31, 2015 and 2014, and
 - Balance sheet information as of December 31, 2015 and 2014; and September 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 9,358,389,500 respectively, as of December 31, 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

December 31, 2015 and 2014 and September 30, 2015

(in Thousand Mexican pesos)

ASSETS	December-2015	September-2015	December-2014
Current assets			
Cash and equivalents	2,575,222	2,491,867	2,697,835
Restricted cash	-	-	-
Accounts receivable	2,893,017	2,893,739	2,426,167
Refundable taxes and other accounts receivable	275,034	339,072	378,522
Advances to suppliers	52,648	106,627	112,763
Inventories	53,069	54,747	67,097
Financial Instruments (Zero Strike Call)	378,099	343,766	121,999
Total current assets	6,227,089	6,229,818	5,804,383
Non current assets			
Property, plant and equipment, net	13,216,179	13,357,364	12,961,543
Long-term accounts receivable	128,613	154,559	230,752
Intangible assets, net	124,994	137,234	173,959
Deferred income taxes	2,103,961	2,125,766	1,675,202
Investment in assoc. Cos. & other investments	8,212	8,217	8,217
Other assets	119,591	129,661	131,042
Total non current assets	15,701,550	15,912,801	15,180,715
TOTAL ASSETS	21,928,639	22,142,619	20,985,098
LIABILITIES			
Current liabilities			
Account payable & Accrued expenses	2,676,819	2,780,314	2,347,302
Accrued Interest	545,208	284,235	458,822
Short-term debt	130,000	130,000	130,000
Current portion of long-term debt	375,656	385,940	220,554
Taxes payable	642,530	409,947	363,351
Financial Instruments	-	-	-
Deferred Revenue	509,415	596,667	695,868
Other accounts payable	247,443	130,811	96,018
Total current liabilities	5,127,071	4,717,914	4,311,915
Long-term debt			
Long-term debt	12,475,950	12,463,103	10,645,447
Derivative Financial Instruments	65,222	114,009	46,952
Employee Benefits	28,231	26,834	25,127
Deferred revenue	-	33,900	33,900
Other LT liabilities	112,340	138,265	216,039
Total long-term debt	12,681,743	12,776,111	10,967,465
TOTAL LIABILITIES	17,808,814	17,494,025	15,279,380
STOCKHOLDERS EQUITY			
Capital stock	6,861,986	6,799,820	6,728,342
Additional paid-in capital	644,710	644,710	644,710
Reserve for repurchase of shares	90,000	90,000	90,000
Cumulative earnings (losses)	(3,476,871)	(2,885,936)	(1,757,334)
Change in the fair value of derivative instruments	-	-	-
TOTAL STOCKHOLDERS EQUITY	4,119,825	4,648,594	5,705,718
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	21,928,639	22,142,619	20,985,098

Axtel, S.A.B. de C.V. and Subsidiaries
 Unaudited Consolidated Income Statement
 Periods ended December 31, 2015 and 2014
(in Thousand Mexican pesos)

	Fourth Quarter ended December 31			LTM ended December 31		
	2015	2014	Δ%	2015	2014	Δ%
Rental, installation, service and other income	2,831,927	2,382,534	19%	10,150,438	10,597,003	-4%
Operating cost and expenses						
Cost of sales and services	(803,259)	(504,883)	59%	(2,299,862)	(3,097,105)	-26%
Selling and administrative expenses	(1,265,179)	(1,091,201)	16%	(4,719,771)	(4,476,849)	5%
Other income (expenses), net	(327,327)	(22,233)	>100%	96,919	(87,670)	n.a.
Gain in sale of telecommunication towers	-	-	n.a.	-	-	n.a.
Depreciation and amortization	(642,018)	(917,721)	-30%	(2,618,567)	(3,435,082)	-24%
	<u>(3,037,783)</u>	<u>(2,536,038)</u>	20%	<u>(9,541,281)</u>	<u>(11,096,706)</u>	-14%
Operating income (loss)	<u>(205,856)</u>	<u>(153,504)</u>	34%	<u>609,157</u>	<u>(499,703)</u>	n.a.
Comprehensive financing result:						
Interest expense	(315,378)	(279,636)	13%	(1,236,308)	(875,745)	41%
Interest income	6,485	5,040	29%	36,929	16,615	>100%
Foreign exchange gain (loss), net	(122,161)	(834,323)	-85%	(1,659,066)	(1,073,210)	55%
Result from the exchange of debt, net	-	-	n.a.	-	-	n.a.
Change in the fair value of financial inst.	55,593	(13,252)	n.a.	163,706	(21,272)	n.a.
Comprehensive financing result, net	<u>(375,461)</u>	<u>(1,122,171)</u>	-67%	<u>(2,694,739)</u>	<u>(1,953,612)</u>	38%
Equity in results of associated company	<u>(5)</u>	<u>(160)</u>	-97%	<u>(5)</u>	<u>(3,423)</u>	-100%
Income (loss) before income taxes,	<u>(581,322)</u>	<u>(1,275,835)</u>	-54%	<u>(2,085,587)</u>	<u>(2,456,738)</u>	-15%
Income taxes:						
Current	13,596	(23,598)	n.a.	(61,305)	(34,459)	78%
Deferred	(22,027)	271,402	n.a.	428,537	572,596	-25%
Total income tax	<u>(8,431)</u>	<u>247,804</u>	n.a.	<u>367,232</u>	<u>538,137</u>	-32%
Net Income (Loss)	<u>(589,753)</u>	<u>(1,028,031)</u>	-43%	<u>(1,718,355)</u>	<u>(1,918,601)</u>	-10%

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

Adjusted EBITDA Reconciliation

(in Thousand Mexican pesos)

	Fourth Quarter ended December 31			LTM ended December 31		
	2015	2014	Δ%	2015	2014	Δ%
Net Income (Loss)	Ps. (589,753)	(1,028,031)	-43%	Ps. (1,718,355)	(1,918,601)	-10%
Depreciation and Amortization	(642,018)	(917,721)	-30%	(2,618,567)	(3,435,082)	-24%
Interest Expense, Net	(308,893)	(274,596)	12%	(1,199,379)	(859,130)	40%
Total Income Tax	(8,431)	247,804	n.a.	367,232	538,137	-32%
FX Gain (Loss), Net	(122,161)	(834,323)	-85%	(1,659,066)	(1,073,210)	55%
Result from exchange of debt, net	-	-	n.a.	-	-	n.a.
Ch. in fair value of financial inst.	55,593	(13,252)	n.a.	163,706	(21,272)	n.a.
Eq. Results in an asso. Co.	(5)	(160)	-97%	(5)	(3,423)	-100%
EBITDA	436,162	764,217	-43%	3,227,724	2,935,379	10%
Other income (expense), Net	(327,327)	(22,233)	>100%	96,919	(87,670)	n.a.
Adjusted EBITDA	Ps. <u>763,489</u>	<u>786,450</u>	<u>-3%</u>	Ps. <u>3,130,805</u>	<u>3,023,049</u>	<u>4%</u>