

In Mexico



In the United States

Cablemás

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For Immediate Release

Cablemás 1Q07 Net Revenue and Adjusted EBITDA Up 17.0% and 4.6% YoY

México D.F., May 15, 2007 - Cablemás, S.A. de C.V., (Cablemás), the second-largest cable television operator in Mexico based on number of subscribers and homes passed, today announced results for the three-month period ending March 31, 2007.

Cablemás CEO Carlos M. Alvarez Figueroa commented, "The year started off with yet another strong quarter, recording increases of 17.0% and 4.6% in net revenue and adjusted EBITDA and 159.6% in net income."

"We continue to expand the market penetration of our service offering. This quarter our subscriber base rose year-over-year by 20.2% in cable television, 48.2% in high-speed Internet and 167.4% in IP telephony."

Financial and Operational Highlights⁽¹⁾

<i>(in million Mexican Pesos)</i>	1Q06	1Q07	% Chg.
Financial Highlights			
Net revenue	546.7	639.9	17.0%
Operating profit	127.0	128.2	0.9%
Adjusted EBITDA ⁽²⁾	232.8	243.5	4.6%
Net income	51.6	133.8	159.6%
Operating margin	23.2%	20.0%	-319 bps
Adjusted EBITDA margin ⁽²⁾	42.6%	38.0%	-453 bps
Net income margin	9.4%	20.9%	+1149 bps
Total Debt	1,992.7	1,971.9	-1.0%
Net Debt	1,213.2	1,922.4	58.5%
Total Debt/ LTM Adj. EBITDA ⁽²⁾	2.6x	2.2x	
Net Debt/ LTM Adj. EBITDA ⁽²⁾	1.6x	2.1x	
EBITDA/ Net interest expense	4.1x	3.9x	
Operational Highlights			
Homes passed	1,728,039	2,148,228	24.3%
Cable Television subscribers	612,734	736,205	20.2%
High-speed internet subscribers	133,962	198,471	48.2%
IP Telephony lines	9,936	26,567	167.4%

"We also remain focused on rolling out our triple play strategy through our interconnection agreement with Telmex. On that front, we are making the investments necessary to begin the launch of our direct IP telephony service in the third quarter of the year. The agreement with Telmex will allow us to further improve profitability in this business and build on our current IP telephony base."

¹ Unless otherwise stated, all financial figures discussed in this announcement are unaudited, prepared in accordance with generally accepted accounting principles in Mexico, expressed in millions of constant Mexican pesos as of March 31, 2007, and represent comparisons between the three-month period ended March 31, 2007, and the equivalent three-month period ended March 31, 2006.

² Adjusted EBITDA is calculated by adding amortization and depreciation, net comprehensive financial results, net other income, special items, total income tax and asset tax, total employee statutory profit sharing, effects from associated companies and minority interest to net income/loss.

FIRST QUARTER 2007 CONSOLIDATED RESULTS

Net Revenues

Net revenues increased 17.0%, or Ps.93.2 million, during 1Q07 to Ps.639.9 million.

- **Cable Television:** The 13.2%, or Ps.57.5 million, growth in cable television revenues was principally due to a 20.2% YoY increase in the number of subscribers to 736,205, with a penetration rate of 33%. This was achieved despite a 3.6% decline in average monthly cable television revenues per subscriber (ARPU) to Ps.233.2. This decline in ARPU was primarily the result of a 40.3% increase in Minibasic subscribers, who pay lower monthly fees, while Basic subscribers increased 13.4%. The average monthly net churn rates for cable television declined to 2.3% for 1Q07 from 2.8% in 1Q06.
- **High Speed Internet:** The 34.4%, or Ps.27.8 million, rise in high-speed Internet revenues resulted mainly from a 48.2% increase in the number of subscribers to 198,471, with a penetration rate of 11%. This was partially offset by an 8.2% decline in high-speed Internet ARPU to Ps.204.9, as lower price/ lower-speed Internet (128 Kbps) subscriptions increased at a faster rate than those of higher-speed Internet (512 Kbps). Average monthly net churn rates for high-speed Internet rose to 3.3% for 1Q07 from 2.6% in 1Q06 due to service quality limitations in the Mayan Riviera during the reconstruction of the network damaged by Hurricane Wilma and an aggressive competing service offer from Telmex.
- **IP Telephony:** IP telephony revenues for the quarter rose 40.4%, or Ps.7.0 million, to Ps. 24.3 million. During 1Q06 IP telephony revenues included costs and expenses charged to Axtel. The expenses charged to Axtel as part of the Joint Venture were reclassified and netted in IP telephony cost and expenses as of 4Q06. The adjustment has no impact on EBITDA. As of March 31, 2007, there were 26,567 IP telephony lines in service, up from 9,936 as of March 31, 2006. IP telephony ARPU for 1Q07 was Ps. 273.1. This does not include migration fees paid to Cablemás by Axtel for new subscribers which, if included, would increase IP telephony ARPU to Ps.386.6 for 1Q07.

Table 1. Revenues by Service Offering

	1Q06		1Q07		% Chg.
	Revenue	% of Total Revenue	Revenue	% of Total Revenue	
Cable Television	435.7	79.7%	493.2	77.1%	13.2%
High-Speed Internet	81.0	14.8%	108.8	17.0%	34.4%
IP telephony	17.3	3.2%	24.3	3.8%	40.4%
Advertising	11.7	2.1%	12.9	2.0%	10.2%
Other ⁽¹⁾	1.1	0.2%	0.7	0.1%	-31.5%
Total Net Revenue⁽²⁾	546.7	100.0%	639.9	100.0%	17.0%

¹ Includes revenue relating to rental and sale of cable decoders and charges relating to customer's change of residence.

² All net revenue figures are net of value-added taxes and other taxes on sales.

Table 2. Number of Subscribers per Service Offering

	1Q06	1Q07	% Chg. in Subscribers
Minibasic	145,135	203,608	40.3%
Basic ⁽¹⁾	454,720	515,782	13.4%
Superbasic ⁽¹⁾	46,358	44,379	-4.3%
Premium ⁽¹⁾	28,953	29,173	0.8%
Hotel	12,879	16,815	30.6%
Total Cable Television	612,734	736,205	20.2%
High-Speed Internet	133,962	198,471	48.2%
IP Telephony lines	9,936	26,567	167.4%

¹ The number and percentage of Basic subscribers includes Basic, Superbasic and Premium subscribers due to the fact that all Superbasic and Premium subscribers must also be Basic subscribers.

Table 3. ARPUs and Churn Per Service Offering

	1Q06	1Q07	% Chg.
Homes passed	1,728,039	2,148,228	24.3%
Cable Television			
- Revenue	435.7	493.2	13.2%
- Subscribers	612,734	736,205	20.2%
- ARPU	242.0	233.2	-3.6%
- Avg. Monthly Churn	2.8%	2.3%	-55 bps
High-Speed Internet			
- Revenue	81.0	108.8	34.4%
- Subscribers	133,962	198,471	48.2%
- ARPU	223.3	204.9	-8.2%
- Avg. Monthly Churn	2.6%	3.3%	+64 bps
IP Telephony			
- Revenue	17.3	24.3	40.4%
- Lines	9,936	26,567	167.4%
- ARPU (without migration fee)	680	273.1	-59.8%

Operating Profit

Operating profit for 1Q07 increased by 0.9%, or Ps.1.2 million, to Ps.128.2 million, driven mainly by a 12.8% increase in gross profit. Operating margin declined to 20.0% from 23.2% in 1Q06, principally due to the increase in cost of services as a percentage of revenues.

Table 4. Operating Profit

	1Q06		1Q07		% Chg.
	Million Ps.	% of Revenues	Million Ps.	% of Revenues	
Service revenues	546.7	100.0%	639.9	100.0%	17.0%
Cost of services	262.3	48.0%	319.0	49.9%	21.6%
Gross Profit	284.4	52.0%	320.9	50.1%	12.8%
SG&A	157.4	28.8%	192.6	30.1%	22.4%
- Selling	51.9	9.5%	65.5	10.2%	26.3%
- Administrative	90.5	16.6%	115.6	18.1%	27.7%
- Amortization and depreciation	15.0	2.7%	11.5	1.8%	-23.1%
Total operating profit	127.0	23.2%	128.2	20.0%	0.9%

Cost of Services

Cost of Services for 1Q07 increased by 21.6%, or Ps.56.7 million. The increase in cost of services was primarily due to:

- A Ps.16.5 million increase in programming costs, principally related to increases in cable television subscribers and one-time Ps.5.0 million charge in 1Q07 related to an adjustment for prior periods.
- A Ps.12.1 million increase in Internet costs of which Ps.10 million are related to incremental cost for bandwidth a 48.2% increase in the number of internet subscribers and the rollout of internet service in additional cities.
- A Ps.24.2 million increase in depreciation & amortization related to an increase in fixed assets investments and to the change in the estimate of the useful life of distribution lines. During 1Q06 the useful life of these assets was estimated at 25 years compared with 15 years in 1Q07.

Selling, General and Administrative Expenses

Selling, General and Administrative Expenses (including depreciation and amortization) or SG&A, increased Ps.35.2 million, or 22.4% YoY to Ps.192.6 million. As a percentage of sales, SG&A rose 132 basis points to 30.1%, from 28.8% in 1Q06. The absolute increase in SG&A principally reflected:

- A 26.3%, or Ps.13.6 million, increase in selling expenses to Ps.65.5 million, principally related to the increase in the size of the company's sales force and an increase in commissions paid (1,286 salespersons as of March 31, 2007 as compared to 1,073 as of March 31, 2006), as well as a Ps.3.6 million increase in advertising;
- A 27.7%, or Ps.25.0 million, increase in administrative expenses to Ps.115.6 million. As a percentage of revenues, administrative expenses increased to 18.1% in 1Q07 from 16.6% in 1Q06. Administrative expenses in absolute values increased principally due to:
 - A Ps.11.4 million increase in salaries and fees principally due to the additional number of administrative employees (451 as of March 2007 and 441 as of

March 2006), an increase in salaries, as well as director's and management performance bonuses corresponding to the fiscal year 2006 period;

- An increase of Ps.2.0 million in telecommunications and travel expenses, due to higher communication activities and travel expenses.
- Amortization and depreciation declined 23.1%, or Ps.3.5 million, to Ps.11.5 million for 1Q07, principally due to a reclassification of assets in 1Q07 and the amortization of SAP related investments in 1Q06.

Adjusted EBITDA

Adjusted EBITDA for 1Q07 increased 4.6%, or Ps.10.7 million, to Ps. 243.5 million. The adjusted EBITDA margin declined 453 bps to 38.0%. The following table sets forth the reconciliation between net income to adjusted EBITDA:

Table 5. Adjusted EBITDA

	1Q06	1Q07	% Chg.
Net income (loss)	51.6	133.8	159.6%
<i>Add (subtract):</i>			
Amortization and depreciation	105.8	115.2	8.9%
Comprehensive financial results, net	42.3	(10.0)	-123.6%
Other (income) expense, net	7.4	0.5	-93.5%
Special items	13.2	(23.7)	-280.4%
Total income tax and asset tax	26.3	31.9	21.0%
Employee profit sharing	0.9	2.0	124.6%
Effects from associated companies	(14.7)	(6.4)	-56.2%
Minority interest	0.1	0.2	53.5%
Adjusted EBITDA	232.8	243.5	4.6%

- Depreciation and amortization increased 8.9%, or Ps.9.5 million, to Ps.115.2 million, principally due to an increase in fixed assets investments and to the change in the estimate of the useful life of distribution lines.
- Special items included expenses related to the purchase of the financial partners' equity stake as well as consulting fees related to the search of a new strategic partner. 1Q06 included extraordinary charges related to Hurricane Wilma while 1Q07 reflects US\$3.5 million, net of other amortizable expenses, received from the insurance company for damages incurred by Wilma
- Comprehensive financial results were a gain of Ps.10 million compared with a loss of Ps.42.3 million in 1Q06 principally due to gains from financial instruments, monetary position and swap instruments.
- During the quarter the company recorded a Ps.31.9 million provision for income taxes and asset taxes, compared to Ps.26.3 million in 1Q06 as a result of the higher taxable income base.

Comprehensive Financial Results, Net

Comprehensive financial results, net was a gain of Ps.10.0 million for the three months ended March 31, 2007, a Ps.52.3 million improvement from the net expense of Ps.42.3 million for the corresponding period in 2006. The improvement primarily reflected a Ps.61.1 million gain in financial instruments including gains from swap instruments and a Ps.7.1 million gain in monetary position.

Table 6. Comprehensive Financial Results, Net

	1Q06	1Q07	% Chg.
Interest income	8.4	1.7	-80.1%
Interest expense	-65.9	-64.3	-2.4%
Financial instruments (loss)	-11.5	49.5	-529.2%
Foreign-exchange (loss) gain, net	8.7	-1.9	-122.2%
Monetary position (loss) gain	17.9	25.0	39.3%
Comprehensive financial results, net	(42.3)	10.0	-123.6%

Net Income

For 1Q07, Cablemás posted a net gain Ps.133.8 million, a 159,6%, or Ps.82.3 million, improvement compared to a gain Ps.51.6 million in 1Q06. Net income margin improved to 20.9% from 9.4% for 1Q06.

CAPEX

Capital expenditures for 1Q07 fell 30.7% or Ps.97.7 million, to Ps.220.8 million from Ps.318.5 million in 1Q06. Capital expenditures principally related to investments incurred to expand and upgrade Cablemás' network.

As of March 31, 2007, Cablemás had a network of 13,613 km, of which 82% was bidirectional and 86% was operating at or greater than 550 MHz. As of March 31, 2006 Cablemás had a network of 11,816 km, of which 76% was bidirectional and 86% was operating at or greater than 550 MHz.

DEBT STRUCTURE AND CASH FLOW

Consolidated gross debt as of March 31, 2007, totaled Ps.1,971.9 million, of which Ps.1,906.9 million was long-term and Ps.65.0 million was short term. Consolidated gross debt declined YoY by 1.0%, from Ps.1,992.7 million as of March 31, 2006.

Net debt, which is calculated as total debt minus cash and cash equivalents, increased YoY by 58.5% to Ps.1,922.4 million, from 1,213.2 million as of March 31, 2006. As of March 31, 2007, Cablemás had a cash balance of Ps.49.5 million.

Table 7. Debt Indicators

	1Q06	1Q07	% Chg.
Total Debt	1,992.7	1,971.9	-1.0%
Short-Term Debt	-	65.0	-
Long-Term Debt	1,992.7	1,906.9	-4.3%
Cash and Cash Equivalents	779.5	49.5	-93.6%
Total Net Debt	1,213.2	1,922.4	58.5%
Leverage			
Total Debt/ LTM Adjusted EBITDA	2.6x	2.2x	
Total Net Debt/ LTM Adjusted EBITDA	1.6x	2.1x	
Interest Coverage			
Adjusted EBITDA / Net Interest Expense	4.1x	3.9x	

Cash flow from operations during 1Q07 declined 1.5%%, or Ps.3.2 million, to Ps.207.4 million.

Net borrowings declined Ps.115.3 million to Ps.36.4 million. Capex for 1Q07 decreased Ps.97.7 million to Ps.220.8 million. Capex was principally related to the upgrade and expansion of Cablemás' network, and customers premises equipment investments and the roll out of IP telephony.

Table 8. Cash Flow

	1Q06	1Q07	Change
Cash at the beginning of the period	809.9	54.8	(755.1)
Net Income	51.6	133.8	82.3
+ Depreciation and amortization	105.8	115.2	9.5
+ Depreciation and amortization extraordinary	-	-	-
+ Change in Working Capital	69.1	56.0	(13.0)
+ Other	(15.8)	(97.7)	(81.9)
Cash Flow from Operations	210.6	207.4	(3.2)
- Capex	(318.5)	(220.8)	97.7
- Other	(1.5)	44.6	46.0
Net Investing Activities	(320.0)	(176.3)	143.7
+ Debt	79.1	0.6	(78.5)
+ Other	(0.1)	(37.0)	(36.9)
Net Financing Activities	78.9	(36.4)	(115.3)
Cash at the end of the period	779.5	49.5	(729.9)

FIRST QUARTER 2007 EARNINGS CONFERENCE CALL

Date: Tuesday, May 15, 2007
Time: 11:00 AM US EDT– 10:00 AM Mexico City Time
Dial Information: (800) 659-1942 (U.S.) or (617) 614-2710 (international)
Passcode: 89586721
Tape Playback: Starting Tuesday, May 15, 2007, at 12:00 PM US EDT, ending at midnight US EDT on Tuesday, May 22, 2007, (888) 286-8010 (U.S.) or (617) 801-6888 (international).
Confirmation Code: 89362407

About Cablemás

Cablemás is the second-largest cable television operator in Mexico based on number of subscribers and homes passed. As of March 31, 2007, Cablemás' cable network served over 736,205 cable television subscribers, 198,471 high-speed internet subscribers, and 26,567 IP telephony lines, with 2,148,228 homes passed.

Cablemás is the concessionaire with the broadest coverage in Mexico, operating in 46 cities throughout the country's oil, maquiladora and tourist regions as of March 31, 2006. Cablemás has consistently introduced innovative products in Mexico and is the first cable operator in the country to provide a "Triple Play" bundled service package of cable television, high speed internet and IP telephony. More information about Cablemás can be found at www.cablemas.com.

This document may contain certain forward-looking statements concerning Cablemás' operations, performance, business, financial condition and growth prospects. These statements are based upon beliefs of management as well as a number of assumptions and estimates, which are inherently subject to significant uncertainties, many of which are beyond Cablemás' control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, changes in the Mexican economy, including changes in inflation rates or exchange rates, changes in political conditions and government policies in Mexico, increased competition, regulatory developments and customer demand. These statements are made as of the date of this press release and Cablemás undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise in light of these risks and uncertainties, there can be no assurances that the events described or implied in the forward-looking statements contained in this document will in fact transpire.

- UNAUDITED FINANCIAL TABLES TO FOLLOW -

CABLEMAS, S. A. DE C. V. Y SUBSIDIARIAS

Consolidated Balance Sheets

March 31st 2007 and 2006

(Constant Mexican Pesos as of March 31, 2007)

(Unaudited)

Assets	2007	2006	Liabilities	2007	2006
Current assets:			Current liabilities:		
Cash and equivalent	\$ 49,531,250	779,477,835	Current installments of:	\$ 65,000,000	-
Accounts receivables, less estimate for			Bank loans	510,788	-
past due accounts for \$10,516,063 in 2007 and \$7,329,363 in 2006	43,185,996	24,439,549	Obligations under capital leases	67,798,181	91,341,139
Other accounts receivables, net	182,177,807	205,952,229	Notes	-	6,954,651
Prepaid expenses	<u>43,531,089</u>	<u>29,849,558</u>	Financial instruments	199,928,199	289,965,562
Total current assets	318,426,142	1,039,719,171	Accounts payable	97,593,000	51,116,733
Financial Instruments	497,100,793	-	Accruals	16,137,696	12,323,000
Inventory of components of signal distribution systems, net	291,116,179	274,836,700	Accrued liabilities	36,395,713	12,079,000
Investment in associated companies	104,633,687	88,017,020	Taxes payable	8,464,802	4,250,484
Property, signal distribution systems, and equipment, net	3,224,501,388	2,603,931,350	Employee statutory profit sharing	35,390,663	34,851,267
Deferred employee statutory profit sharing	6,291,885	4,518,268	Productora y Comercializadora de Televisión, S. A. de C. V. (associated company)	<u>58,475,238</u>	<u>66,207,654</u>
Goodwill, net	1,001,353,533	1,018,423,992	Subscriber deposits and advances		
Intangible asset from pension and seniority premium plans and severance compensation for reasons other than restructuring	19,195,698	22,731,682	Total current liabilities	585,694,280	569,089,490
Other non-current assets, net	185,672,247	127,448,520	Financial intruments	436,006,484	56,079,964
			Corporate bond	1,906,940,001	1,992,698,715
			Obligations under capital leases, excluding current installments	247,721	-
			Pension and seniority premiums plans and severance compensation for reasons other than restructuring	46,902,676	43,440,983
			Income tax	9,127,000	10,893,571
			Deferred income tax	340,247,976	312,448,584
			Loss in asociated company	-	-
			Total liabilities	<u>3,325,166,138</u>	<u>2,984,651,307</u>
			Stockholders' equity		
			Majority stockholders' equity :		
			Capital stock	735,145,418	729,696,179
			Additional paid-in capital	1,174,316,052	1,137,497,878
			Retained earnings	490,639,817	419,850,962
			Valuation effects of financial instruments	(70,968,811)	(85,213,565)
			Effect for labour obligations	(1,530,140)	(1,389,468)
			Cumulative effect on deferred taxes	3,373,343	3,373,343
			Result from holding non monetary assets	<u>(10,074,739)</u>	<u>(10,074,739)</u>
			Total majority stockholders' equity	2,320,900,940	2,193,740,590
			Minority stockholders' equity	<u>2,224,474</u>	<u>1,234,806</u>
			Total stockholders' equity	2,323,125,414	2,194,975,396
	<u>\$ 5,648,291,552</u>	<u>5,179,626,703</u>		<u>\$ 5,648,291,552</u>	<u>5,179,626,703</u>

CABLEMAS, S. A. DE C. V. Y SUBSIDIARIAS

Consolidated Statements of Income

Three months period ending March 31st, 2007 and 2006

(Constant Mexican pesos as of March 31, 2007)

(Unaudited)

	<u>2007</u>	<u>2006</u>
Service revenues	\$ 639,859,625	546,699,451
Cost of services	<u>319,000,774</u>	<u>262,283,572</u>
Gross profit	<u>320,858,851</u>	<u>284,415,879</u>
Operating expenses:		
Selling	65,545,089	51,900,496
Administrative	115,555,937	90,507,795
Amortization and depreciation	<u>11,532,673</u>	<u>14,988,019</u>
Total operating expenses	<u>192,633,699</u>	<u>157,396,310</u>
Operating profit	<u>128,225,152</u>	<u>127,019,569</u>
Comprehensive financial results:		
Interest income	1,681,098	8,439,462
Interest expense	(64,276,480)	(65,879,595)
Foreign exchange (loss) gain, net	(1,937,366)	8,743,940
Financial instruments	49,548,404	(11,545,162)
Monetary position gain	<u>24,975,532</u>	<u>17,925,291</u>
Comprehensive financial results, net	<u>9,991,188</u>	<u>(42,316,064)</u>
Other income (expenses), net	<u>(476,547)</u>	<u>(7,362,380)</u>
Special items	<u>23,728,285</u>	<u>(13,152,095)</u>
Income before income taxes, employee statutory profit sharing,	<u>161,468,078</u>	<u>64,189,030</u>
Income taxes:		
Current	42,617,162	14,237,768
Deferred	<u>(10,762,533)</u>	<u>12,079,734</u>
Total income taxes	<u>31,854,629</u>	<u>26,317,502</u>
Employee statutory profit sharing		
Current	1,582,101	1,157,469
Deferred	<u>420,517</u>	<u>(265,732)</u>
Total employee statutory profit sharing	<u>2,002,618</u>	<u>891,737</u>
Income before effects from associated companies and minority interest	127,610,831	36,979,791
Effects from associated companies	<u>6,447,098</u>	<u>14,724,063</u>
Income before minority interest	134,057,929	51,703,854
Minority interest	<u>(208,562)</u>	<u>(135,828)</u>
Majority interest net income	<u>\$ 133,849,367</u>	<u>\$ 51,568,026</u>
Basic earnings per share	<u>\$ 0.49</u>	<u>\$ 1.96</u>

CABLEMAS, S. A. DE C. V. Y SUBSIDIARIAS

Consolidated Statements of Changes in Financial Position

Three months period ending March 31st, 2007 and 2006

(Constant Mexican pesos as of March 31, 2007)

(Unaudited)

	<u>2007</u>	<u>2006</u>
Operating activities:		
Net income	\$ 133,849,367	51,568,026
Add charges (deducted credit) to operations not requiring (providing) funds:		
Depreciation and amortization	115,235,857	105,785,347
Increase in allowance for inventory of components of signal distribution systems	-	975,124
Effects from associated companies	(6,447,098)	(14,724,063)
Goodwill cancelation	-	8,021,377
Loss (profit) in selling equipment	-	8,194,391
Accruals for pensions and severance packages	(160,454)	2,087,446
Deferred income taxes	(10,762,533)	12,079,734
Deferred employee statutory profit sharing	420,517	(265,732)
Financial instruments	(80,919,291)	(32,276,172)
Minority interest	208,562	135,828
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Funds provided by operations	151,424,927	141,581,307
Net financing from (investing in) operating accounts:		
Trade and other accounts receivable, net	58,411,615	(31,450,555)
Prepaid expenses	(24,124,738)	(4,467,765)
Accounts payable	(66,689,226)	126,078,801
Accruals and accrued liabilities	5,942,801	(23,338,502)
Taxes payable	12,341,205	(3,988,513)
Subscriber deposits and advances	13,942,954	154,066
Employee statutory profit sharing	1,549,117	847,401
Related parties	54,642,494	5,222,434
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Funds provided by operating activities	207,441,149	210,638,674
Financing activities:		
Proceeds from (payments of) bank loans, net	(22,220,175)	-
Proceeds from corporate bond	22,956,397	79,053,543
Income tax	376,307	(143,796)
Dividends Paid	(37,384,461)	-
Proceeds from financial leases	(142,235)	-
	<hr/>	<hr/>
Funds provided by financing activities	(36,414,167)	78,909,747
Investing activities:		
Acquisition of distribution systems and equipment	(3,823,021)	(128,047,354)
Inventory of components of signal distribution systems	(210,356,164)	(186,502,769)
Other assets, net	(6,654,892)	(3,942,127)
Investment in associated companies	-	(1,470,032)
Insurance	44,557,404	-
	<hr/>	<hr/>
Funds used in investing activities	(176,276,673)	(319,962,282)
Decrease (increase) in cash and cash equivalents	(5,249,691)	(30,413,862)
Cash and cash equivalents:		
At beginning of year	<hr/>	<hr/>
	54,780,941	809,891,697
At end of year	\$ <hr/>	<hr/>
	49,531,250	779,477,835