



Stock Selection Guide [®]

The most widely used aid to good investment judgment

Company MAXCOM TELECOMUNICACIONES SA Date 11/12/10

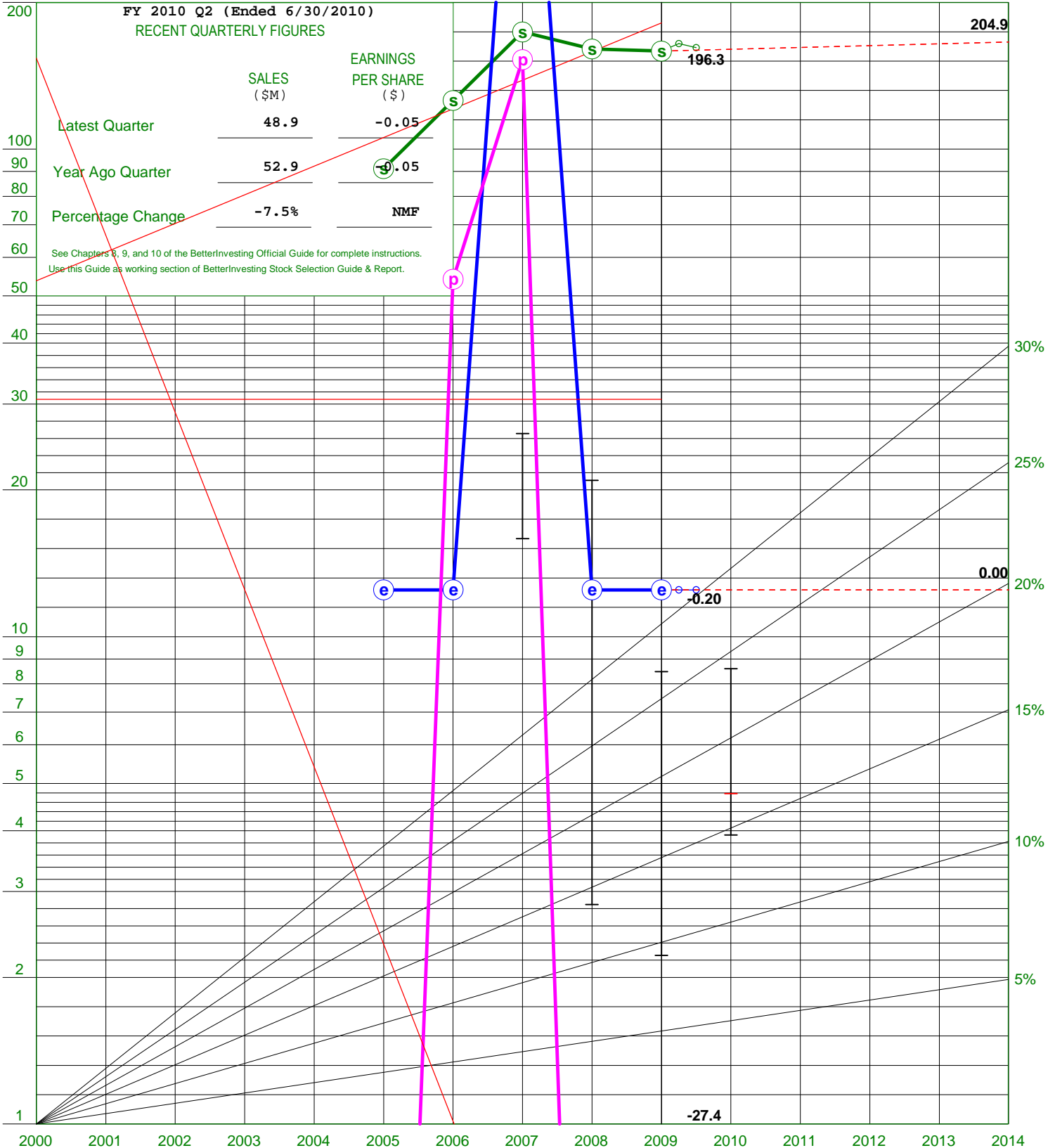
Prepared by Bernard Data taken from NAIC Data

Where traded NYSE Major product/service Integrated

CAPITALIZATION --- Outstanding Amounts		Reference	
Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	112.8	0.0	0.0
Debt (\$M)	197.4	% to Tot.Cap.	38.3
		% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

MXT



- (1) Historical Sales Growth 14.5 %
- (2) Estimated Future Sales Growth 0.9 %
- (3) Historical Earnings Per Share Growth 0.0 %
- (4) Estimated Future Earnings Per Share Growth 0.0 %

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)						-2.5	2.8	5.7	-3.3	-14.0	-2.3		DOWN
B % Earned on Equity (E/S ÷ Book Value)						-1.3	-0.5	0.7	-1.4	-7.1	-1.9		DOWN

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

PRESENT PRICE **3.650** HIGH THIS YEAR **6.580** LOW THIS YEAR **3.000**

Year	PRICE		C Earnings Per Share	E Price Earnings Ratio		F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100
	A HIGH	B LOW		D HIGH A ÷ C	E LOW B ÷ C			
1 2005	0.0	0.0	-0.17	0.0	0.0	0.000	0.0	0.0
2 2006	0.0	0.0	-0.04	0.0	0.0	0.000	0.0	0.0
3 2007	20.0	12.2	0.09	222.2	135.6	0.000	0.0	0.0
4 2008	16.0	2.2	-0.04	NMF	NMF	0.000	0.0	0.0
5 2009	6.5	1.7	-0.20	NMF	NMF	0.000	0.0	0.0
6 TOTAL		16.1		222.2	135.6		0.0	
7 AVERAGE		5.4		222.2	135.6		0.0	
8 AVERAGE PRICE EARNINGS RATIO	178.9			9 CURRENT PRICE EARNINGS RATIO	-21.5			

4 Proj. P/E [-21.47] Based on Next 4 qtr. EPS [-0.17] Current P/E Based on Last 4 qtr. EPS [-0.17] PEG=0

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E ~~222.2~~ **222.0** X Estimate High Earnings/Share **0.00** = Forecast High Price \$ **0.0**
(3D7 as adj.) (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~135.6~~ **135.2** X Estimated Low Earnings/Share **-0.20** = \$ **-27.0**
(3E7 as adj.)
 (b) Avg. Low Price of Last 5 Years = **5.4**
(3B7)
 (c) Recent Severe Market Low Price = **1.7**

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}}$ = $\frac{0.000}{0.000}$ = $\frac{0.0}{0.0}$
 Selected Estimate Low Price = **1.7**
(4B1)

C ZONING

0.0 (4A1) High Forecast Price Minus **1.7** (4B1) Low Forecast Price Equals **-1.7** (C) Range. 1/3 of Range = **-0.4** (4CD)
 (4C2) Lower 1/3 = **1.7** (4B1) to **1.3** (Buy) Note: Ranges changed to 25%/50%/25%
 (4C3) Middle 1/3 = **1.3** to **0.4** (Maybe)
 (4C4) Upper 1/3 = **0.4** to **0.0** (4A1) (Sell)

Present Market Price of **3.650** is in the **Sell** (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) **0.0** Minus Present Price **3.650**
 Present Price **3.650** Minus Low Price (4B1) **1.7** = $\frac{-3.7}{2.0}$ = $\frac{0.0}{0.0}$ To 1 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) **0.0**
 Present Market Price **3.650** = $(\frac{0.000}{3.650}) \times 100 = (\frac{0.0}{3.650}) - 100 = \frac{-100.0}{(4E)}$ % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

A Present Full Year's Dividend \$ **0.000**
 Present Price of Stock \$ **3.650** = $\frac{0.000}{3.650} \times 100 = \frac{0.0}{(5A)}$ Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years **-0.20** X Avg. % Payout (3G7) **0.0** = **0.0** = **0.0** %
 Present Price \$ **3.650** (5B)

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

		P.A.R.	Tot. Ret.
5 Year Appreciation Potential <small>(4E)</small>	-100.0		
Average Yield <small>(5B)</small>	0.0 %	0.0%	0.0%
Average Total Annual Return Over the Next 5 Years <small>(5C)</small>	-20.0 %	0.0%	0.0%
		% Compd Ann Rate of Ret	0.0%