

EXHIBIT B

SHAREHOLDER AGREEMENT

among

**MEGACABLE, S.A. DE C.V.,
C-TEC INTERNATIONAL, INC.,**

and certain

PRIVATE SHAREHOLDERS

listed herein

Dated as of January 24, 1995

MEGACABLE

listed (other than registration systems or other markets which are not organized as stock exchanges);

(5) any change in the Company's independent auditors; or

(6) any removal or replacement of an Investor Nominee appointed to the Management Committee pursuant to Section 4.1(b).

ARTICLE III

BOARD OF DIRECTORS

3.1. Board of Directors. (a) Pursuant to the Estatutos:

(1) The number of members of the Board of Directors shall be fixed at fifteen (each of whom may have an alternate).

(2) Each shareholder owning, in the aggregate, a number of Series B Shares that represent ten percent or more of the outstanding Capital Stock will be entitled to nominate one Director for each ten percent so owned.

(3) Each shareholder owning, in the aggregate, a number of Other Shares that represent ten percent or more of the outstanding Capital Stock will be entitled to nominate one Director for each ten percent so owned.

(b) Pursuant to the terms of the Control Trust Agreement, (i) for so long as the Private Shareholders, either directly or through the Control Trust, are able to cause the election of at least eight Directors (exclusive of the number of Directors

nominated by the Investor and elected pursuant to this Section 3.1(b)) and (ii) until such date as the Investor Shares comprise less than the Required Percentage of the outstanding Capital Stock, the Control Trust will vote the shares of Capital Stock held by it to elect one or more Directors nominated by the Investor so that the number of Directors so elected, together with the number of Directors that the Investor is entitled to nominate pursuant to Section 3.1(a), is equal to six.

3.2. Decisions by the Board of Directors. (a) The Board of Directors shall meet at least once in each fiscal quarter of the Company and otherwise when convened in accordance with the Estatutos. Prior to each meeting of the Board of Directors, the Chairman or the Secretary shall prepare and furnish to each other Director an agenda for such meeting. The agenda for each Board of Directors meeting shall include any item which any Investor Nominee has delivered in writing to the Secretary of the Board of Directors at least 5 days prior to the date scheduled for such meeting. Except as provided in Section 3.2(b) or as required by Mexican law, all actions by the Board of Directors shall be taken by vote of at least a majority of the Directors in attendance at a duly convened meeting thereof. The Chairman shall have the power to break ties in the event of a deadlock among the Directors, provided that no action requiring a Qualified Vote under this Agreement shall be approved without such a Qualified Vote.

(b) The Private Shareholders and the Investor, in their capacity as shareholders, directors or officers of the Company and as members of the technical committee of the Control Trust, as the case may be, agree to take all actions necessary to ensure that, until such date as the Investor Shares comprise less than the Required Percentage of the outstanding Capital Stock, none of the actions listed in this Section 3.2(b) is taken or approved by the Board of Directors, except pursuant to a Qualified Vote. Until such date as the Investor Shares comprise less than the Required Percentage of the outstanding Capital Stock, the Company shall not take (and shall not permit any of its Subsidiaries to take) any such action except pursuant to a Qualified Vote. The actions requiring a Qualified Vote are as follows:

(1) the introduction of any line of business that is not a Related Business;

(2) the termination of any existing line of business which represented more than 10% of the consolidated annual revenues of the Company, as reported in the audited consolidated financial statements for the Company and its Subsidiaries, prepared in accordance with Mexican GAAP, for the most recent fiscal year of the Company for which such audited consolidated financial statements are available;

(3) any acquisition of assets to be used in a line of business other than a Related Business;

(4) any acquisition or disposition of assets or any series of related acquisitions or dispositions of assets (other than assets acquired in connection with capital expenditures within the scope of Section 3.2(b)(8)) during any fiscal year comprising more than 15% of the consolidated year-end assets of the Company, as reported in the audited consolidated financial statements for the Company and its Subsidiaries, prepared in accordance with Mexican GAAP, for the most recent fiscal year of the Company for which such audited consolidated financial statements are available;

(5) entering into or material modification of any supply, purchase, service or other material contract with any Private Shareholder or any Affiliate or relative of a Private Shareholder (other than contracts constituting part or all of the compensation package for the Company's executive officers);

(6) the initiation of bankruptcy, liquidation or similar proceedings for the Company or any of its Subsidiaries;

(7) the incurrence of additional Funded Debt (other than refinancings, extensions or rollovers of existing debt) in an aggregate amount in excess of US\$5 million during any fiscal year, if after giving effect to the incurrence of such additional Funded Debt, the Company's Consolidated Funded Debt (including such additional Funded Debt) would exceed 25% of the sum of (i) such additional Funded Debt, plus (ii) the Consolidated Funded Debt plus

shareholders' equity of the Company and its consolidated Subsidiaries, as reported in the audited consolidated financial statements for the Company and its Subsidiaries, prepared in accordance with Mexican GAAP, for the most recent fiscal year of the Company for which such audited consolidated financial statements are available;

(8) any capital expenditure in a fiscal year if, after giving effect to such capital expenditure, the Company's aggregate capital expenditures during such fiscal year would exceed 120% of its aggregate capital expenditures during the immediately preceding fiscal year;

(9) make any loan or obligate the Company as guarantor or surety of any indebtedness or other obligation of any third party, except for (i) loans to and guarantees of obligations of majority-owned Subsidiaries of the Company, and (ii) guarantees of a portion of any indebtedness or obligation of minority-owned Subsidiaries of the Company, provided that guarantees with respect to minority-owned Subsidiaries are limited to the extent of the Company's percentage ownership interest in such minority-owned Subsidiaries;

(10) lease, mortgage, pledge, grant a security interest in or otherwise encumber all or any material portion of the property or assets of the Company or any Subsidiary (except in connection with debt approved or not required to be approved pursuant to this Section 3.2(b));

(11) give notice pursuant to Section 6.1(c) that the Company has determined not to pursue any business opportunity of which the Company is notified by any Private Shareholder pursuant to Section 6.1.

(c) Notwithstanding anything to the contrary in this Agreement, a Qualified Vote or Investor approval pursuant to Section 2.1 shall not be required (i) to approve the pursuit of a business opportunity of which the Company is notified by the Investor or any Affiliate of the Investor pursuant to Section 6.1, (ii) to approve the pursuit of a business opportunity of which the Company is notified by C-TEC or any of its Affiliates pursuant to the Support Agreement, or (iii) to enter into any contract or arrangement with or for the benefit of any Private Shareholder in connection with the financing of any obligation of any Private Shareholder under Article VII.

(d) So long as the Control Trust shall own at least 26.01% of the outstanding shares of Capital Stock, the Control Trust shall have the right to designate the Chairman, and to replace such Chairman at any time by notice to the Board of Directors and the other Shareholders.

ARTICLE IV

MANAGEMENT COMMITTEE; OFFICERS

4.1. **Management Committee.** (a) The Company shall have a management committee (the "Management Committee") consisting of six voting

members selected from the Board of Directors and appointed by the general ordinary shareholders' meeting of the Company as provided in the Estatutos. The Chief Executive Officer of the Company shall be a non-voting member of the Management Committee. The Management Committee shall convene not less than once per calendar month, unless otherwise agreed by its members.

(b) The Private Shareholders and the Investor, in their capacity as shareholders, directors or officers of the Company and as members of the technical committee of the Control Trust, as the case may be, agree to take all actions necessary to ensure that, for so long as the Investor Shares comprise not less than the Required Percentage of the outstanding Capital Stock, two Investor Nominees are appointed to the Management Committee.

4.2. Duties of the Management Committee. (a) The Management Committee shall have the responsibility of:

(1) advising the senior management of the Company or the Board of Directors, as the case may be, on key strategic decisions and policies with respect to marketing, programming, technology and finance;

(2) approving the Chief Executive Officer's selection of those members of the Company's senior management who report directly to the Chief Executive Officer;

(3) approving and overseeing the implementation of the annual business plan, annual budget and significant capital expenditures;

(4) advising the Board of Directors with respect to the business and financial prospects of the Company; and

(5) devising and implementing appropriate accounting procedures, internal controls and procedures designed to bring to the attention of the Management Committee material events relating to the business of the Company and its Subsidiaries.

(b) All decisions of the Management Committee with respect to the matters set forth in Section 4.2(a) shall be by unanimous vote of the members in attendance among which shall be at least one Investor Nominee. Any such matter as to which the Management Committee is unable to achieve a unanimous vote shall be referred to the Board of Directors. The Management Committee may take actions within its authority through written consent signed by each member of the Management Committee.

ARTICLE V

TRANSFER RESTRICTIONS

5.1. Restrictions on Transfer. (a) No Shareholder may Transfer any shares of Capital Stock or any interest therein to any Person except:

(1) in the case of any Shareholder (other than a Shareholder making a Transfer subject to Section 5.1(a)(5)), at any time following the second anniversary of the Closing Date, upon compliance with Section 5.3;

(2) to a Permitted Transferee of a Shareholder upon compliance with Section 5.2;

(3) in the case of any Private Shareholder (other than the Control Trust), in a secondary transaction as part of a bona fide public offering, including the offering contemplated by Section 6.2;

(4) in the case of any Shareholder (other than the Control Trust), pursuant to a bona fide open-market sale on the Bolsa Mexicana de Valores, S.A. de C.V. or any other stock exchange or automated quotation system on or through which the shares in question are listed or quoted;

(5) in the case of any Control Transfer by the Control Trust, the Investor or any Eligible Subsidiary of the Investor, upon compliance with Sections 5.3 and 5.4, provided that the Control Trust may not Transfer any shares of Capital Stock to any Person at any time prior to the fifth anniversary of the execution of the Control Trust Agreement, except (x) pursuant to Section 5.2(a)(2) and (y) Transfers of beneficial interests in the Control Trust among its beneficiaries in accordance with the Control Trust Agreement.

(b) Upon consummation of any Transfer pursuant to Section 5.1(a)(3) or 5.1(a)(4), the transferring Shareholder shall promptly notify the Company as to the circumstances thereof, including the date of sale and the number and series of shares of Capital Stock so sold.

(c) To the full extent of its powers under applicable law, the Company will refuse to recognize any transfers of Capital Stock in violation of the terms and conditions of this Agreement.

5.2. Permitted Transferees. (a) Subject to compliance with the requirements of Section 5.2(c):

(1) a Private Shareholder (other than the Control Trust in the case of clauses (i) through (iii) of this Section 5.2(a)(1)) may Transfer any shares of Capital Stock to (i) his or her spouse, sibling, uncle, aunt, nephew, niece, parent, adopted or natural child or any other lineal descendant or immediate family member, (ii) a trust the sole beneficiaries of which are one or more Private Shareholders or any other Person referred to in the immediately preceding clause (i), (iii) in the case of his death, by will or by the laws of intestate succession to executors, administrators, testamentary trustees, legatees or beneficiaries, or (iv) another Private Shareholder;

(2) the Control Trustee may Transfer shares of Capital Stock pursuant to a transfer of legal title to such shares resulting from the resignation, removal or change of the Control Trustee, whether voluntarily or involuntarily;

(3) shares of Capital Stock may be distributed from any estate or trust (including the Control Trust, subject to the proviso in Section 5.1(a)(5)) to the beneficiaries thereof; and

(4) any Shareholder (other than the Control Trust) may Transfer shares of Capital Stock to any Eligible Subsidiary of such Shareholder, provided that such Eligible Subsidiary, in the case of shares being Transferred by a Shareholder that acquired such shares pursuant to this Section 5.2(a)(4), is also an Eligible Subsidiary of C-TEC International, Inc. or any Person named in Schedule I.

(b) The Investor or any Private Shareholder may pledge any or all shares of Capital Stock now or hereafter owned by it or grant a security interest therein to secure indebtedness of such Shareholder owing to a bank, financial institution or institutional investor, provided that any transferee pursuant to this Section 5.2(b) shall (except with the prior written consent of the Company and, until such date as the Investor Shares comprise less than the Required Percentage of the outstanding Capital Stock, the Investor) acquire only a security interest in the shares entitling such

transferee to the proceeds from any sale of the shares pursuant to the terms of this Agreement and not title to the shares or any other rights incident thereto.

(c) Notwithstanding the foregoing, any Transfer of shares of Capital Stock made pursuant to Section 5.2(a) to a Permitted Transferee or to a designated purchaser pursuant to Section 5.5 shall be permitted under the terms of this Agreement only if (i) such Permitted Transferee or designated purchaser shall agree in writing to be bound by the terms of this Agreement to which the transferring Shareholder is subject, (ii) each party to this Agreement is given reasonable notice of such Transfer and a copy of the transferee's written agreement required by clause (i) above, and (iii) in the case of a Transfer pursuant to Section 5.2(a)(4), each party to this Agreement receives copies of any related instruments evidencing the transferee's status as an Eligible Subsidiary of the transferring party. Each party hereto shall be, and shall remain, obligated for the performance by any of such party's transferees pursuant to this Section 5.2 of its obligations hereunder. With respect to all shares of Capital Stock owned or held by any Eligible Subsidiary, the Eligible Subsidiary shall be subject to the same obligations, conditions and disabilities to which the transferor alone would have been subject if the Transfer had not taken place, and the Eligible Subsidiary shall vote all shares of Capital Stock owned or held by it in the same manner that the transferor shall vote the shares of Capital Stock owned or held by it.

(d) In the event that a Shareholder shall transfer any shares of Capital Stock to an Eligible Subsidiary pursuant to Section 5.2(a)(4), such Shareholder will not (i) Transfer any shares of the Eligible Subsidiary's capital stock, or (ii) permit such Eligible Subsidiary to issue to any Person any shares of the Eligible Subsidiary's capital stock, or securities or other instruments convertible into, or exchangeable or exercisable for, shares of such capital stock, or rights to purchase such capital stock or any other rights, voting or otherwise, applicable thereto, if, immediately after giving effect to such Transfer or issuance (and assuming the immediate conversion, exchange or exercise of any securities or instruments so issued), the Eligible Subsidiary in question would cease to be an Eligible Subsidiary with respect to such Shareholder.

(e) Upon execution and delivery of a writing meeting the requirements of the first sentence of Section 5.2(c), the transferee shall be deemed to be and shall have the rights of (i) a "Private Shareholder" if the transferring party was a Private Shareholder, (ii) the "Control Trustee" in the case of a Transfer pursuant to Section 5.2(a)(2) and (iii) the "Investor" if the transferring party was the Investor.

(f) Notwithstanding anything to the contrary in this Article V or in any other provision of this Agreement, no Shareholder may Transfer any shares of Capital Stock to a Person if such Person or any of its Affiliates is engaged in Mexico, directly or indirectly, in a Competing Business, other than Transfers by Shareholders to their respective Permitted Transferees.

5.3. Right of First Offer. (a) In the event that any Shareholder (the "Offering Shareholder") desires to Transfer any of its shares of Capital Stock (the "Offered Shares") pursuant to clauses (1) or (5) of Section 5.1(a), such Offering Shareholder shall first offer (the "Offer") the Offered Shares to the other Shareholders (the "Offered Shareholders"), on a pro rata basis in proportion to the shareholding interest of each Offered Shareholder in the Company, at a price per share specified by such Offering Shareholder (the "Offered Price").

(b) Each Offered Shareholder shall have 20 Business Days from the date the Offer is given in which to notify the Offering Shareholder whether it elects to purchase any of the Offered Shares set forth in such Offer. In the event some but not all of the Offered Shareholders accept the Offer, the Offering Shareholder shall retransmit the Offer with respect to such remaining Offered Shares to those Offered Shareholders electing to accept the Offer. Within 10 Business Days from the date such second offer is made, each such Offered Shareholder will notify the other Offered Shareholders whether it elects to purchase some or all of the remaining Offered Shares, it being understood that if such Offered Shareholders together indicate an intention to purchase such number of shares greater than the remaining Offered Shares, such remaining Offered Shares shall be allocated pro rata among such of the Offered Shareholders as accepted such second offer, in proportion to their shareholding interests in the Company.

(c) After the completion of the foregoing procedures, (i) if some or all of the Offered Shareholders agree to take up the Offer with respect to all of the Offered Shares, such Offered Shareholders shall consummate the purchase of such Offered Shares within 20 Business Days of such agreement, by payment of cash in the amount of the Offered Price for such shares against delivery by the Offering Shareholder of all documents necessary to Transfer such Offered Shares, free and clear of all Liens, and (ii) if the Offered Shareholders shall not have agreed to purchase all of the Offered Shares, then the Offering Shareholder may, subject to the other provisions of this Agreement, sell such Offered Shares to any other Person for cash at a price equal to or greater than the Offered Price; provided that if such Transfer (other than a Control Transfer) is not consummated within 60 days following the completion of the procedures set forth in Section 5.3(b), then the Offering Shareholder shall not be permitted to sell or Transfer any Offered Shares pursuant to clause (ii) of this Section 5.3(c) without again complying with the requirements of Section 5.3(a) and Section 5.3(b).

(d) Upon consummation of any sale by the Offering Shareholder pursuant to Section 5.3(c), the Offering Shareholder shall promptly notify the Offered Shareholders as to the circumstances thereof, including the date of the sale, the price and the number of Offered Shares sold and the identity of the purchaser.

5.4. Tag-Along Rights.

(a) In the event that the Control Trust desires to make a Control Transfer to a third party, it shall first deliver written notice of the proposed Control Transfer to the Investor setting forth the terms and conditions of such Control Transfer. The Investor shall have the right to participate on a pro rata basis (based on the number of shares of voting Capital Stock then owned by the Investor and its Eligible Subsidiaries compared with the number of shares of voting Capital Stock owned by the Control Trust) in the Control Transfer to the third party at the same price and on the same terms as those offered by the third party. The Investor may exercise these tag-along rights by delivering written notice to the Control Trust of its intention to do so no later than 10 Business Days after the date of receipt of the notice from the Control Trust referred to in this Section 5.4(a).

(b) After completion of the procedures set forth in Section 5.4(a), if the Investor shall not have exercised its tag-along rights, then the Control Trust shall be free to effect the proposed Control Transfer to the third party specified in the notice from the Control Trust referred to in Section 5.4(a) on terms no more favorable to the Control Trust than those contained in such notice; provided that if such Control Transfer is not consummated within 120 days following the completion of the procedures set forth in Section 5.4(a), then the Control Trust shall not be permitted to

effect the proposed Control Transfer without again complying with the requirements of Section 5.4(a).

(c) In the event that the Investor or any of its Eligible Subsidiaries desires to make a Control Transfer to a third party, the Investor shall first deliver written notice of the proposed Control Transfer to the Control Trust setting forth the terms and conditions of such Control Transfer. The Control Trust and the Private Shareholders shall have the right to participate on a pro rata basis (based on the number of shares of voting Capital Stock then owned by the Investor and its Eligible Subsidiaries compared with the number of shares of voting Capital Stock owned by the Control Trust and the Private Shareholders) in the Control Transfer to the third party at the same price and on the same terms as those offered by the third party. The Control Trust may exercise these tag-along rights by delivering written notice to the Investor of its intention to do so no later than 10 Business Days after the date of receipt of the notice from the Investor referred to in the immediately preceding sentence.

(d) After completion of the procedures set forth in Section 5.4(c), if the Control Trust shall not have exercised its tag-along rights, then the Investor and its Eligible Subsidiaries shall be free to effect the proposed Control Transfer to the third party specified in the notice from the Control Trust referred to in Section 5.4(c) on terms no more favorable to the Investor and its Eligible Subsidiaries than those contained in such notice; provided that if such Control Transfer is not consummated

within 120 days following the completion of the procedures set forth in Section 5.4(a), then the Investor and its Eligible Subsidiaries shall not be permitted to effect the proposed Control Transfer without again complying with the requirements of Section 5.4(c).

(e) The procedures set forth in this Section 5.4 shall cease to have effect on such date as the Investor Shares comprise less than the Required Percentage of the outstanding Capital Stock.

5.5. Designated Purchaser. If the Investor or any Private Shareholder has a right to purchase any shares of Capital Stock pursuant to the terms of this Agreement and it is not legally permitted to exercise its right to purchase hereunder as a result of any applicable foreign investment laws or provisions in the Estatutos, the parties shall use their best efforts to obtain all consents required to permit such investment as quickly as possible and in any event within 60 days. If all required consents have not been obtained within such 60 days, the Investor or such Private Shareholder, as the case may be, may, at its election, designate a third party purchaser who may purchase the shares of Capital Stock in compliance with all applicable laws and/or the Estatutos, as the case may be, without any need for governmental consents and shall cause such third party purchaser to purchase and pay for such Capital Stock within 30 days of the end of such 60 day period. Notwithstanding the foregoing, the

procedures set forth in this Section 5.5 shall not be applicable to any sale of shares of Capital Stock pursuant to Article VII.

ARTICLE VI

CERTAIN COVENANTS AND AGREEMENTS

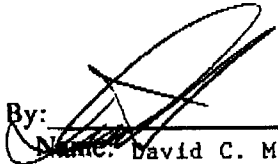
6.1. **Exclusivity.** (a) The Investor hereby covenants and agrees that it shall not, and shall cause its Affiliates not to, compete in any manner with the Company or any of its Subsidiaries, by directly or indirectly owning, managing, operating, controlling or being a consultant to, engaging, participating or having any interest in, or being connected in any manner with, the ownership, management, operation or control of any Cable Business in Mexico, except directly or indirectly through the Company (i) at any time while the Investor or any of its Affiliates owns, or has any interest in, any Capital Stock; and (ii) for a period of two years following the date on which the Investor and its Affiliates cease to own, or have any interest in, any Capital Stock.

(b) Each Private Shareholder shall not, and shall cause its Affiliates not to, compete in any manner with the Company or any of its Subsidiaries, by directly or indirectly owning, managing, operating, controlling or being a consultant to, engaging, participating or having any interest in, or being connected in any manner with, the ownership, management, operation or control of any Cable Business in


any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

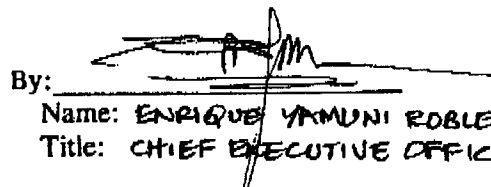
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

C-TEC INTERNATIONAL, INC.

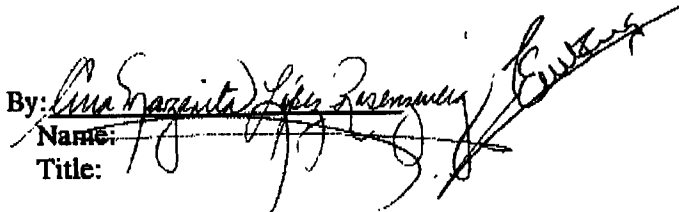
By: 
Name: David C. McCourt
Title: Chairman and Chief Executive Officer

MEGACABLE, S.A. DE C.V.


By: 
Name: JAVIER BOURS CASTEDO
Title: CHAIRMAN OF THE BOARD OF DIRECTORS

By: 
Name: ENRIQUE YAMUNI ROBLES
Title: CHIEF EXECUTIVE OFFICER

BANCO NACIONAL DE MEXICO, S.A.,
as Control Trustee

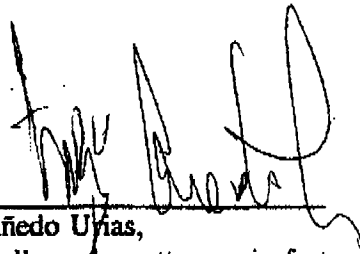
By: 
Name:
Title:

PRIVATE SHAREHOLDERS
(other than the Control Trust)



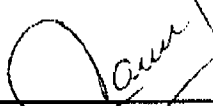
Jose Gerardo R. Bours Castelo,
individually and as attorney-in-fact
acting on behalf of:

- Angel Robinson Bours Urrea
- Martha Guadalupe Bours de Larraguibel
- Marina Guadalupe Bours de Alvarado
- Lucia Margarita Bours de Valenzuela
- Antonio Robinson Bours Urrea
- Roberto Robinson Bours Urrea
- Alfonso Robinson Bours Almada
- Javier Robinson Bours Almada
- Juan Robinson Bours Almada
- Idelfonso Fernández Salido
- Julian Aguilera Campoy
- Julian Aguilera Urrea
- Jesús Enrique R. Bours Muñoz
- Beatriz Marina R. Bours Muñoz
- Anabella R. Bours Muñoz
- Rossana R. Bours Muñoz
- Jesús Rodolfo R. Bours Muñoz
- Mónica R. Bours Muñoz



Trigio Cañedo Uñas,
individually and as attorney-in-fact
acting on behalf of:

Daniel Fernando Ramos Cabello
Ernesto Echavarría Salazar



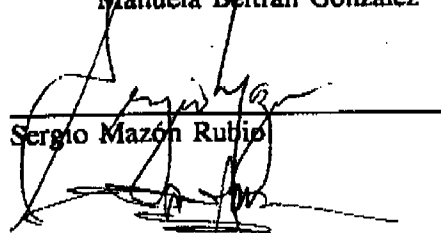
Enrique Rubén Mazón Rubio,
individually and as attorney-in-fact
acting on behalf of:

Gustavo Alberto Mazón L.
Ricardo Mazón L.
Hector Ruben Mazón L.
José Oscar Mazón Rubio
Jorge Horacio Mazón Rubio
Luis Roberto Mazón Rubio



José Gabriel Urquijo Beltrán,
individually and as attorney-in-fact
acting on behalf of:

Manuel Urquijo Beltrán
Manuela Beltrán González



Sergio Mazón Rubio

Enrique Yamun Robles