



**TV AZTECA ANNOUNCES NET SALES OF Ps.3,248 MILLION
AND EBITDA OF Ps.381 MILLION IN 1Q19**

**—TV Azteca strengthened its generation of cutting-edge content,
which further boosted its competitive position in the media market—**

Mexico City, April 30, 2019—TV Azteca, S.A.B. de C.V. (BMV: AZTECACPO; Latibex: XTZA), one of the two largest producers of Spanish-language television programming in the world, today announced financial results for the first quarter 2019.

"TV Azteca continues with its transformation process to make the company more agile and dynamic for the future," commented Benjamín Salinas, CEO of TV Azteca.

"During the period, the media market in Mexico was affected by lower government demand for advertising, which had a negative impact on revenues and profitability of TV Azteca," added Mr. Salinas. "However, the TV Azteca of the future is under constant construction to react dynamically to the demand of the audience through our strong process of producing innovative content of remarkable quality, which allows clients to reach their target market effectively through our platforms, and further boosts the company's competitive position in the market."

First quarter results

Net revenue for the period was Ps.3,248 million, 5% lower than the Ps.3,427 million for the same quarter of last year. Total costs and expenses were Ps.2,867 million, 1% less compared to Ps.2,906 million for the previous year.

As a result, TV Azteca reported EBITDA of Ps.381 million, 27% less than the Ps.521 million of last year; EBITDA margin for the quarter was 12%. Operating income was Ps.111 million, in comparison with Ps.216 million for the previous year.

The company registered a net loss of Ps.387 million, compared to a net income of Ps.173 million for the same period of 2018.

	1Q 2018	1Q 2019	Change Ps.	%
Net sales	\$3,427	\$3,248	\$(180)	-5%
EBITDA	\$521	\$381	\$(140)	-27%
Operating income	\$216	\$111	\$(105)	-49%
Net result	\$173	\$(387)	\$(560)	----
Net result per CPO	\$0.06	\$(0.13)	\$(0.19)	----

Figures in millions of pesos.

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.

The number of CPOs outstanding as of March 31, 2018 was 2,986 million and as of March 31, 2019 was 2,987 million.

Net sales

Advertising sales in Mexico decreased 6% to Ps.2,557 million, from Ps.2,712 million from the previous year, mainly as a result of lower government demand for advertising in the media market this quarter.

During the period, content sales to other countries were Ps.40 million in comparison with Ps.87 million in the previous year. Revenue for the quarter resulted mainly from the commercialization of the shows *María Magdalena* in Europe, *Siempre tuya Acapulco* in South America and Europe, and *Cuando seas mía* in Africa, as well as the sale of TV Azteca content to pay TV channels in the rest of the world.

Revenue from TV Azteca Guatemala and TV Azteca Honduras was Ps.18 million, in comparison with Ps.12 million of the previous year.

Azteca Comunicaciones Perú reported revenue of Ps.96 million, in comparison with Ps.94 million a year ago. The revenue resulted from telecommunications services and reimbursements from the Peruvian government for maintenance and operation of the fiber optic network.

During the quarter, TV Azteca organized the WGC Mexico Championship golf tournament for the third consecutive year, one of the most important sporting events in the world, creating synergies relevant to the company. The income generated from this tournament was Ps.537 million, 3% higher in comparison to Ps.522 million from previous year.

Costs and SG&A Expenses

Total costs and expenses decreased 1% in the quarter as a result of a 3% reduction in production, programming and transmission costs, and telecommunications

services to Ps.2,533 million, from Ps.2,601 million a year ago. This is in conjunction with a 9% increase in selling and administrative expenses, to Ps.334 million, compared to Ps.306 million in the previous year.

The reduction in production costs results from strategies aimed at strengthening the efficiency in the generation of content while preserving the optimum quality of programming.

The costs of Azteca Comunicaciones Perú were Ps.93 million, from Ps.111 million a year ago. The lower costs are derived from operation efficiencies, as well as from the successful negotiation of a transmission infrastructure rent reduction.

The costs related to the WGC Mexico Championship golf tournament were Ps.534 million this period, from Ps.541 million a year ago.

The increase in expenses at TV Azteca reflects higher expenses for advisory services, partially offset by lower personnel and operating expenses this quarter.

Consolidated EBITDA and net result

Consolidated EBITDA of the company was Ps.381 million, compared to Ps.521 million for the same period of the prior year. Operating profit was Ps.111 million, in comparison to Ps.216 million a year ago.

The most significant variations below EBITDA were the following:

A decrease of Ps.40 million in other expenses resulted from lower donations and legal services this quarter.

A reduction of Ps.490 million in foreign exchange gains, as a result of lower net monetary liabilities in dollars, compared to the previous year, combined with lower appreciation of the peso this quarter.

TV Azteca registered a net loss of Ps.387 million for the quarter, compared to a net profit of Ps.173 million for the same period a year ago.

Cash Flow

During the quarter, TV Azteca generated cash flow from operations of Ps.1,117 million, in comparison to Ps.217 million negative flow of the previous year. Once the cash flows from investment and financing activities are included, the increase in cash and cash equivalents of the company was Ps.415 million in the period, which additionally strengthened the balance sheet of TV Azteca.

"The strong generation of operating cash flow results, to a large extent, from superior efficiency in collecting from clients, as well as an adequate management of

inventories and exhibition rights, within the framework of a solid administration of working capital in the company," commented Esteban Galíndez, CFO of TV Azteca.

Debt

As of March 31, 2019, TV Azteca's outstanding debt was Ps.13,295 million, in comparison to Ps.12,741 million in the previous year.

The cash and cash equivalents balance at the end of the quarter totaled Ps.2,117 million, from Ps.2,823 million a year ago. The reduction resulted from the payment made for the renewal of TV Azteca's television channel concessions in the fourth quarter of 2018, for Ps.3,940 million, as previously detailed, partially offset by the generation of cash in the period.

Net debt of the company as of March 31, 2019 was Ps.11,178 million, in comparison to Ps.9,918 million a year ago.

About TV Azteca

TV Azteca is one of the two largest producers of Spanish-language television programming in the world, operating four television networks in Mexico: Azteca uno, Azteca 7, adn40 and a+ through more than 300 owned and operated stations across the country. The company also operates TV Azteca Digital, the operator of several Mexico's most visited websites and social media platforms.

TV Azteca is a Grupo Salinas company (www.gruposalinas.com), a group of dynamic, fast growing, and technologically advanced companies focused on creating: economic value through market innovation and goods and services that improve standards of living; social value to improve community wellbeing; and environmental value by reducing the negative impact of its business activities. Created by Mexican entrepreneur Ricardo B. Salinas (www.ricardosalinas.com), Grupo Salinas operates as a management development and decision forum for the top leaders of member companies. These companies include TV Azteca (www.TVazteca.com; www.irtvazteca.com), Grupo Elektra (www.grupoelektra.com.mx), Banco Azteca (www.bancoazteca.com.mx), Advance America (www.advanceamerica.net), Afore Azteca (www.aforeazteca.com.mx), Seguros Azteca (www.segurosazteca.com.mx), Punto Casa de Bolsa (www.puntocasadebolsa.mx), Totalplay (www.totalplay.com.mx) and Totalplay Empresarial (totalplayempresarial.com.mx). TV Azteca and Grupo Elektra trade shares on the Mexican Stock Market and in Spains' Latibex market. Each of the Grupo Salinas companies operates independently, with its own management, board of directors and shareholders. Grupo Salinas has no equity holdings. The group of companies shares a common vision, values and strategies for achieving rapid growth, superior results and world-class performance.

Except for historical information, the matters discussed in this press release are concepts about the future that involve risks and uncertainty that may cause actual results to differ materially from those projected. Other risks that may affect TV Azteca and its subsidiaries are presented in documents sent to the securities authorities.

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TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED RESULTS OF OPERATIONS
(Millions of Mexican pesos of March 31 of 2018 and 2019)

	<u>First Quarter of :</u>						<u>Change</u>	
	<u>2018</u>		<u>2019</u>					
Net revenue	Ps 3,427	100%	Ps 3,248	100%	Ps (180)	-5%		
Programming, production and transmission costs	2,601	76%	2,533	78%	(68)	-3%		
Sales and administrative expenses	306	9%	334	10%	28	9%		
Total costs and expenses	2,906	85%	2,867	88%	(40)	-1%		
EBITDA	521	15%	381	12%	(140)	-27%		
Depreciation and amortization	190		195		5			
Other expense -Net	115		75		(40)			
Operating profit	216	6%	111	3%	(105)	-49%		
Equity in income from affiliates	3		3		0			
Comprehensive financing result:								
Interest expense	(334)		(336)		(3)			
Other financing expense	(65)		(57)		8			
Interest income	34		28		(6)			
Exchange loss -Net	581		91		(490)			
	216		(274)		(490)			
Income before the following provision	435	13%	(160)	-5%	(595)			
Provision for income tax	(261)		(226)		35			
Net income	Ps 173		Ps (387)		Ps (560)			
Non-controlling share in net profit	Ps (0)		Ps 0		Ps 0			
Controlling share in net profit	Ps 174	5%	Ps (387)	-12%	Ps (560)			

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Millions of Mexican pesos of March 31 of 2018 and 2019)

	At March 31			
	2018	2019		
Current assets:				
Cash and cash equivalents	Ps 2,823	Ps 2,117	Ps (706)	
Accounts receivable	5,260	4,240	(1,020)	
Other current assets	5,211	3,891	(1,320)	
Total current assets	13,294	10,248	(3,046)	-23%
Accounts receivable	-	61	61	
Exhibition rights	1,881	2,334	453	
Property, plant and equipment-Net	3,720	3,934	214	
Television concessions-Net	5,484	9,426	3,942	
Other assets	1,480	1,851	371	
Deferred income tax asset	1,123	788	(335)	
Total long term assets	13,688	18,394	4,706	34%
Total assets	Ps 26,982	Ps 28,642	Ps 1,660	6%
Current liabilities:				
Short-term debt	Ps -	Ps 1,708	Ps 1,708	
Other current liabilities	4,978	4,632	(346)	
Total current liabilities	4,978	6,340	1,362	27%
Long-term debt:				
Securities Certificates	3,952	3,971	19	
Long-term debt	7,113	7,616	503	
Total long-term debt	11,065	11,587	522	5%
Other long term liabilities:				
Advertising advances	4,814	6,657	1,843	
American Tower Corporation (due 2069)	1,676	-	(1,676)	
Deferred income tax	312	721	409	
Other long term liabilities	35	436	401	
Total other long-term liabilities	6,837	7,814	977	14%
Total liabilities	22,880	25,741	2,861	13%
Total stockholders' equity	4,102	2,901	(1,201)	-29%
Total liabilities and equity	Ps 26,982	Ps 28,642	Ps 1,660	6%

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions of Mexican pesos of March 31 of 2018 and 2019)

	<u>Period ended March 31,</u>	
	<u>2018</u>	<u>2019</u>
Operating activities:		
Cash flow generated before taxes to income	Ps 320	Ps 315
Accounts receivable	(129)	1,041
Inventories and performance rights	62	329
Accounts payable, accrued expenses and taxes on earnings	(470)	(568)
Net cash flow from operating activities	<u>(217)</u>	<u>1,117</u>
Investing activities:		
Acquisitions of property and equipment, intangibles and others	(146)	(175)
Net sale of Azteca America assets	830	-
Net cash flows from investing activities	<u>684</u>	<u>(175)</u>
Financing activities:		
Interest paid	(427)	(528)
Others	0	(0)
Net cash flows from financing activities	<u>(427)</u>	<u>(528)</u>
Increase in cash and cash equivalents	40	415
Cash and cash equivalents at beginning of year	2,783	1,702
Cash and cash equivalents at end of year	<u>Ps 2,823</u>	<u>Ps 2,117</u>