



TV AZTECA ANNOUNCES NET SALES OF Ps.3,292 MILLION AND EBITDA OF Ps.446 MILLION IN 1Q17

—Within the framework of the solid reinvention of TV Azteca, with agile and top-quality content, advertising sales in Mexico grew 5%—

—The company expects to receive US\$156 million in 2017 from US stations auctions—

Mexico City, May 2, 2017—TV Azteca, S.A.B. de C.V. (BMV: AZTECA CPO; Latibex: XTZA), one of the two largest producers of Spanish-language television programming in the world, announced today financial results for the first quarter of 2017.

Consolidated first quarter results

"TV Azteca continued to drive its strong reinvention through a clear strategy of top-quality content programming to further strengthen its strong market position in Mexico," said Benjamín Salinas, CEO of TV Azteca. "In addition, during the quarter, we launched two additional channels, *adn40* and *a+*, which will effectively compete for the domestic audience and provide a world-class alternative for national and local advertisers."

"In addition to strong business prospects in Mexico, which will further strengthen the company's results, it is expected to receive US\$156 million this year, as a result of the participation of Azteca America-related stations in the US spectrum auctions," said Esteban Galíndez, CFO of TV Azteca. "Azteca America has commercial and programming relationships at the Los Angeles and San Francisco stations, which allow it to receive such revenues, as a result from the sale of radio spectrum from auctions held by the US Federal Communications Commission."

Net sales for the quarter were Ps.3,292 million, 21% higher than the Ps.2,717 million for the same quarter of last year. Total costs and expenses were Ps.2,846 million, compared to Ps.2,185 million for the same period last year.

As a result, TV Azteca reported EBITDA of Ps.446 million, 16% less than Ps.533 million from last year; EBITDA margin for the quarter was 14%. Operating profit was of Ps.159 million, in comparison with Ps.273 million of previous year.

The company registered a net result of Ps.404 million, compared to a net loss of Ps.554 million for the same quarter of 2016.

	1Q 2016	1Q 2017	Change	
			Ps.	%
Net sales	\$2,717	\$3,292	\$574	21%
EBITDA	\$533	\$446	\$(87)	-16%
Operating profit	\$273	\$159	\$(133)	-42%
Net result	\$(554)	\$404	\$958	----
Net result per CPO	\$(0.19)	\$0.14	\$0.33	----

Figures in millions of pesos.

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

The number of CPOs outstanding as of March 31, 2016 was 2,991 million and as of March 31, 2017 was 2,982 million.

Results by business segment

Domestic operations

Domestic advertising sales grew 5% to Ps.2,175 million, from Ps.2,067 million a year ago, due to the generation of programming grids that effectively reached the target market for numerous advertisers in Mexico.

Production, programming and transmission costs in Mexico were Ps.1,372 million, similar to the Ps.1,369 million a year ago. Domestic costs grew less than revenue, as a result of strategies that drive efficiency in content production.

Contribution generated by operations of the media business in Mexico was Ps.803 million, 15% higher than the Ps.698 million of the previous year.

Azteca America

In addition, the company registered sales from Azteca America –the company’s wholly-owned broadcast television network focused on the U.S. Hispanic market– of Ps.337 million this quarter, 3% higher in comparison to the Ps.328 million a year ago, in the framework of increasingly successful programming.

Azteca America's costs were Ps.408 million compared to Ps.347 million a year ago. The increase is largely due to higher costs related to strengthening the geographic coverage, in order to boost the company's dynamism and profitability in the future.

The contribution of Azteca America was a negative Ps.70 million, in comparison to a negative figure of Ps.19 million a year ago.

TV Azteca Guatemala and Honduras

Revenue from TV Azteca Guatemala and TV Azteca Honduras was Ps.14 million, in contrast to Ps.12 million the previous year. The costs of TV Azteca Guatemala and TV Azteca Honduras were Ps.30 million, compared to Ps.28 million for the previous year. Contribution was a negative Ps.16 million, constant compared to the previous year.

Exports

Content sales to other countries were Ps.24 million in the period, from Ps.29 million in the previous year; revenue for the quarter resulted from the commercialization of the shows *La Mujer de Judas* in Africa and Latin America, *La Teniente* in South America, and *Vivir a Destiempo* in Europe, as well as the sale of TV Azteca content to pay TV channels in the rest of the world.

Exported content does not have associated costs, thus exports revenue is equal to its contribution.

Azteca Comunicaciones Perú

Azteca Comunicaciones Perú had revenue of Ps.186 million, from Ps.281 million a year ago. The decrease results from lower reimbursements by the Peruvian government for the construction and maintenance of the National Dorsal Fiber Optic Network of that country in this period; such construction was completed in 2016 and in this quarter we received the remaining reimbursement, relatively smaller compared to the previous year.

The Company registered costs of Ps.151 million in the quarter, compared to Ps.120 million a year ago. The increase reflects, to a large extent, the cost of maintaining the network, which was not present the previous year when the network was under construction.

The contribution of Azteca Comunicaciones Perú was Ps.35 million, compared to.161 million a year ago.

WGC Mexico Championship

During the quarter, TV Azteca organized the golf tournament WGC Mexico Championship, one of the most important sporting events in the world, creating synergies relevant to the company. The income generated from this tournament was of Ps.556 million.

The costs related to the golf tournament WGC Mexico Championship were Ps.555 million this period.

Consolidated SG&A expenses

The company's total selling and administrative expenses were Ps.330 million, up 3% compared to Ps.320 million a year earlier, as a result of higher service and fee expenses this quarter.

Consolidated EBITDA and net result

EBITDA of the company was Ps.446 million, in comparison to Ps.533 million for the same period of the prior year. Operating profit was Ps.159 million, from Ps.273 million a year ago.

The most significant variations below EBITDA were the following:

A loss of Ps.52 million in equity resulted from affiliates in comparison to an income of Ps.4 million a year ago, derived from the recognition of this period of the 40% stake of TV Azteca in the results of Azteca Comunicaciones Colombia. As of the first quarter of 2017, TV Azteca no longer consolidates the results of Azteca Comunicaciones Colombia in its financial statements, which means that only its 40% share in the results of the telecommunications company is recognized in the line of Equity in income from affiliates. As previously announced, last year TV Azteca's shareholders agreed to contribute US\$60 million to be invested in Azteca Comunicaciones Colombia, while TV Azteca, which had invested US\$40 million recently, remains with 40% of the company's equity.

An increase of Ps.36 million in interest payments due to the effect of exchange rate depreciation on the peso equivalent of the company's debt, which is denominated in US dollars, partially offset by lower dollar debt at the end of this quarter, due to the cancellation of US\$42.5 million in the period.

Growth of Ps.920 million in foreign exchange gains, as a consequence of a stronger appreciation of the peso versus the dollar this quarter, compared to the same period of the previous year.

Decrease of Ps.46 million in tax provision as a result of lower tax charge associated with Azteca Comunicaciones Perú this quarter.

Reduction of Ps.177 million in discontinued operations, as a result of the recognition of the loss generated by the operations of Azteca Comunicaciones Colombia a year ago. This is a consequence of the company ceasing to consolidate its results in the financial statements of TV Azteca, and for periods prior to the current quarter, its net result are only recorded in the line of discontinued operations.

TV Azteca registered net income of Ps.404 million for the quarter, compared to a net loss of Ps.554 million for the same period a year ago.

Debt

As of March 31, 2017, TV Azteca's outstanding debt – excluding Ps.1,725 million debt due in 2069– was Ps.14,119 million.

The cash and cash equivalents balance at the end of the quarter totaled Ps.3,009 million, 25% higher than the Ps.2,414 million a year ago. As a result, net debt of the company as of March 31, 2017, excluding debt due in 2069, was Ps.11,110 million.

As previously announced, during the quarter the company canceled out US\$42.5 million of its US\$300 million senior notes with coupon of 7.5% due in 2018. Such cancellation was carried out through repurchase operations that the company previously performed with cash generated by the operation of the business.

The transaction reflects the solid financial performance in TV Azteca, and the firm commitment of the company to reduce the full amount of dollar-denominated debt to strengthen its capital structure.

Stations Auction in the United States

In order to free up radio spectrum that can be used to offer mobile broadband in the United States — due to the growing demand from users for data usage over wireless devices — the US Federal Communications Commission designed an auction where television broadcasting concessionaires could sell their spectrum to be used by telecommunications companies.

Stations related with Azteca America in Los Angeles and San Francisco were winners in the auction, so Azteca America, which has commercial and programming relationships at these stations, expects to receive US\$156 million this year, by means from the sale of the spectrum.

Azteca America will look for options to continue broadcasting its programming in these locations where the stations that sold spectrum are located.

Fiber-optic network in Peru

As previously announced, Azteca Comunicaciones Perú — a subsidiary of TV Azteca — completed the deployment of 13,500 kilometers of the Red Dorsal Nacional de Fibra Óptica of the country, which will offer telecommunications services in approximately 80% of Peruvian territory. The government provided the funds for the construction and provides resources for the operation through a 20 year concession,

and TV Azteca will commercialize the telecommunications services in 339 population centers.

TV Azteca's administration is in the process of updating the valuation and perspectives of its investments in telecommunications in Peru, as previously requested by the Board, in order to determine its consistency with the strategic definition of the company. Based on this analysis TV Azteca will formulate a plan of action regarding these investments.

Company Profile

TV Azteca is one of the two largest producers of Spanish-language television programming in the world, operating three national television networks in Mexico, Azteca Trece, Azteca 7 and Proyecto 40, through more than 300 owned and operated stations across the country. TV Azteca affiliates include Azteca America, a broadcast television network focused on the rapidly growing U.S. Hispanic market, and Azteca Web, an Internet company for North American Spanish speakers.

TV Azteca is a Grupo Salinas company (www.gruposalinas.com), a group of dynamic, fast-growing, and technologically advanced companies focused on creating shareholder value, contributing to build the middle class of the countries in which they operate and improving society through excellence. 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. The companies include TV Azteca (www.tvazteca.com; www.irtvazteca.com), Azteca America (us.azteca.com), Grupo Elektra (www.elektra.com.mx; 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), Totalplay (www.totalplay.com.mx) and Enlace TP (enlacetp.mx). Each of the Grupo Salinas companies operates independently, with its own management, board of directors and shareholders. Grupo Salinas has no equity holdings. However, the member companies share 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 forward-looking statements and are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Other risks that may affect TV Azteca and its subsidiaries are identified in documents sent to 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 2016 and 2017)

	First Quarter of :						Change	
	2016		2017					
Net revenue	Ps 2,717	100%	Ps 3,292	100%	Ps 574		21%	
Programming, production and transmission costs	1,864	69%	2,516	76%	652		35%	
Selling and administrative expenses	320	12%	330	10%	9		3%	
Total costs and expenses	2,185	80%	2,846	86%	661		30%	
EBITDA	533	20%	446	14%	(87)		-16%	
Depreciation and amortization	173		204		31			
Other expense -Net	87		82		(5)			
Operating profit	273	10%	159	5%	(113)		-42%	
Equity in income from affiliates	4		(52)		(56)			
Comprehensive financing result:								
Interest expense	(343)		(380)		(36)			
Other financing expense	(18)		(5)		13			
Interest income	24		31		7			
Exchange loss -Net	11		931		920			
	(326)		578		904			
Income before the following provision	(49)	-2%	685	21%	735		1485%	
Provision for income tax	(333)		(287)		46			
Profit (Loss) from continuing operations	(383)		398		781		204%	
Profit (loss) from discontinued operations	(177)		-		177			
Net income	Ps (560)		Ps 398		Ps 958			
Non-controlling share in net profit	Ps (7)		Ps (6)		Ps 0			
Controlling share in net profit	Ps (554)	-20%	Ps 404	12%	Ps 958		173%	

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Millions of Mexican pesos of March 31 of 2016 and 2017)

	At March 31			
	2016	2017		
Current assets:			Change	
Cash and cash equivalents	Ps 2,414	Ps 3,009	Ps 594	
Accounts receivable	9,303	9,311	7	
Other current assets	4,383	3,981	(401)	
Total current assets	16,100	16,301	200	1%
Accounts receivable	85	151	67	
Exhibition rights	2,548	3,315	767	
Property, plant and equipment-Net	4,079	4,007	(72)	
Television concessions-Net	9,930	10,324	394	
Other assets	3,245	1,842	(1,403)	
Deferred income tax asset	2,524	1,825	(699)	
Total long term assets	22,411	21,464	(946)	-4%
Total assets	Ps 38,511	Ps 37,765	Ps (746)	-2%
Current liabilities:				
Short-term debt	Ps -	Ps -	Ps -	
Other current liabilities	6,408	5,550	(858)	
Total current liabilities	6,408	5,550	(858)	-13%
Long-term debt:				
Structured Securities Certificates	-	-	-	
Long-term debt	13,631	14,119	488	
Total long-term debt	13,631	14,119	488	4%
Other long term liabilities:				
Advertising advances	8,406	10,006	1,600	
American Tower Corporation (due 2069)	1,582	1,725	143	
Deferred income tax	901	520	(381)	
Total other long-term liabilities	10,889	12,251	1,362	13%
Total liabilities	30,928	31,920	992	3%
Total stockholders' equity	7,583	5,845	(1,738)	-23%
Total liabilities and equity	Ps 38,511	Ps 37,765	Ps (746)	-2%