**TV AZTECA ANNOUNCES 5% OPERATING PROFIT GROWTH TO Ps.3,073 MILLION IN 2017**

—EBITDA totaled Ps.4,090 million for the year—

—The firm reinvention of TV Azteca, with agile and competitive content, resulted in 11% net sales growth in 2017, to Ps.13,829 million—

—TV Azteca announced the sale of Azteca America in line with its strategic purpose, which focuses on solid media operations in Mexico and maximum profitability abroad—

**Mexico City, February 20, 2018**—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, announced today financial results for the fourth quarter 2017 and full year 2017.

"TV Azteca began the reinvention process two years ago that laid the foundation for a new era," commented TV Azteca CEO Benjamín Salinas. "The content generated during 2016 and 2017 has given good results and today the audience recognizes the moment of TV Azteca with greater viewership and time spent on our screens."

"2018 will be a year of consolidation for TV Azteca. The challenge will be to achieve more and better monetization given the opportunity offered by a growing audience on our four broadcast networks," added Mr. Salinas.

## Fourth quarter consolidated results

Net sales for the quarter were Ps.4,005 million, 7% higher than the Ps.3,727 million for the same quarter of last year. Total costs and expenses were Ps.2,589 million, compared to Ps.2,268 million for the same period last year.

As a result, TV Azteca reported EBITDA of Ps.1,416 million, from Ps.1,460 million last year; EBITDA margin for the quarter was 35%. Operating income was Ps.1,162 million, in comparison to Ps.1,130 million for the previous year.

The company registered a net loss of Ps.1,319 million, compared to a net loss of Ps.181 million for the same quarter of 2016.

| | 4Q 2016 | **4Q 2017** | **Change** | |
|---|---|---|---|---|
| | | | **Ps.** | **%** |
| **Net sales** | $3,727 | **$4,005** | **$277** | **7%** |
| **EBITDA** | $1,460 | **$1,416** | **$(44)** | **-3%** |
| **Operating income** | $1,130 | **$1,162** | **$32** | **3%** |
| **Net result** | $(181) | **$(1,319)** | **$(1,137)** | **----** |
| **Net result per CPO** | $(0.06) | **$(0.44)** | **$(0.38)** | **----** |

Figures in millions of pesos.
EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.
The number of CPOs outstanding as of December 31, 2016 was 2,987 million and as of December 31, 2017 was 2,985 million.

## Results by business segment

### Domestic operations

Domestic advertising sales grew 6% to Ps.3,623 million, from Ps.3,414 million a year ago, as a result of the generation of competitive content that reached large audiences in Mexico.

Production, programming and transmission costs in Mexico were Ps.1,862 million, 24% higher than the Ps.1,506 million a year ago, in line with efforts to produce superior quality programs, which translate into higher revenues.

Contribution generated by operations of the media business in Mexico was Ps.1,761 million, compared to Ps.1,908 million from the previous year.

### TV Azteca Guatemala and Honduras

Revenue from TV Azteca Guatemala and TV Azteca Honduras was Ps.31 million, in comparison to Ps.15 million for the year-ago period. Costs associated with the operation of both channels were Ps.19 million, constant with the previous year. As a result, their contribution was Ps.12 million this period, compared to a negative Ps.4 million from the previous year.

### US Exports

Content sales to the United States totaled Ps.175 million in the quarter, from Ps.64 million from previous year. Revenue for the quarter resulted, to a great extent, from the sale of exhibition rights to matches of the national soccer team and teams from the first division of the Mexican soccer league.

Costs for such content were Ps.100 million, compared to Ps.43 million for the previous year. As a result, the contribution derived from this business segment was Ps.75 million this period, compared to Ps.21 million a year ago.

**Exports to the rest of the world**

Content sales to other countries were Ps.80 million in the quarter, from Ps.42 million in the previous year; revenue for the quarter resulted, to a great extent, from the commercialization of the shows *Lo Que Callamos las Mujeres* and *Mirada de Mujer* to South America, and *Siempre Tuya Acapulco* 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 export revenue is equal to its contribution.

**Azteca Comunicaciones Perú**

Azteca Comunicaciones Perú reported revenue of Ps.96 million, from Ps.192 million a year ago. The amount this quarter results from telecommunications services and reimbursements by the Peruvian government for maintenance and operation of the network, whereas a year ago the figure was derived from reimbursements of the government for National Dorsal Fiber Optic Network construction, which ended in 2016.

The company registered costs of Ps.118 million in the quarter, compared to Ps.227 million a year ago. The costs this period were related to the operation and maintenance of the network, whereas a year ago, the costs derived mainly from the construction of the network.

The contribution of Azteca Comunicaciones Perú was a negative Ps.22 million, compared to a negative figure of Ps.35 million a year ago.

**Consolidated SG&A expenses**

The company's total selling and administrative expenses were Ps.490 million, 4% higher than the Ps.473 million a year earlier, as a result of higher service and personnel expenses this quarter.

**Consolidated EBITDA and net result**

Consolidated EBITDA of the company was Ps.1,416 million, compared to Ps.1,460 million for the same period of the prior year. Operating profit was Ps.1,162 million, 3% higher than the Ps.1,130 million a year ago.

The most significant variations below EBITDA were the following:

A reduction of Ps.57 million in other expenses, as a result of lower donations granted by the company this quarter.

A loss of Ps.44 million in equity income from affiliates, compared to income of Ps.8 million a year ago, derived from the recognition this period of the 40% stake of TV Azteca in the results of Azteca Comunicaciones Colombia.

An increase of Ps.142 million in other financial expenses due to expenses associated with the advanced payment of the US$500 million Senior Notes.

A reduction of Ps.262 million in foreign exchange losses, due to a lower net liability balance denominated in US dollars this year, compared to the previous year.

Increase of Ps.116 million in tax provision as a result of an updating of the deferred tax payable.

An increase of Ps.442 million in impairment of assets, as a result of the deterioration of the book value of soccer players from both Atlas and Monarcas soccer clubs.

An increase of Ps.698 million in discontinued operations as a result of a larger extraordinary charge due to the deconsolidation of Azteca America's operations this period compared to the previous year, derived from the sale of the company this quarter.

TV Azteca registered a net loss of Ps.1,319 million for the quarter, compared to a net loss of Ps.181 million for the same period a year ago.

## Cash Flow

During 2017, TV Azteca generated operating cash flow of Ps.1,621 million, to which cash flow from investment activities of Ps.1,823 million was added, largely due to the income of US$156 million from the sale of spectrum from stations related to Azteca America, which was received the previous quarter, net of accounts receivable for the sale of other assets, also from Azteca America.

Through these cash flows and part of the company's cash balance, TV Azteca made prepayments of debt with a cost of Ps.3,815 million, which further strengthened its capital structure.

## Debt

As of December 31, 2017, TV Azteca's outstanding debt –excluding Ps.1,804 million debt due in 2069– was Ps.11,594 million, 29% lower than the Ps.16,369 million a year ago.

The cash and cash equivalents balance at the end of the quarter totaled Ps.2,783 million, from Ps.4,471 million a year ago. The reduction of the cash balance is due primarily to the debt prepayment of Ps.3,815 million in the period.

As a result, net debt of the company as of December 31, 2017, excluding debt due in 2069, was Ps.8,811 million, 26% lower than the Ps.11,898 million a year ago.

**Strategy that strengthens capital structure**

During 2017, TV Azteca successfully developed a strategy to further strengthen its capital structure.

Throughout the year, the company prepaid both its US$300 million and US$500 million senior notes, due in 2018 and 2020, respectively.

To make the payments, TV Azteca used cash generated by operations, and placed in international markets US$400 million in senior notes due in 2024 at a rate of 8.25%. Also, it issued Ps.4,000 million due in 2022 at a rate of TIIE + 290 basis points.

As a result of these operations, in addition to the 29% reduction in the debt balance, the maturity profile was extended. The current debt profile consists of Ps.4,000 million due in 2022 and US$400 million due in 2024, while a year ago it consisted of US$300 million due in 2018 and US$500 million due in 2020.

Finally, the company reduced its exposure in foreign currency. A year ago, the total balance of debt was denominated in dollars, while currently —excluding the Ps.1,804 million due in 2069— 34% of the debt is denominated in pesos.

"The trust in the positive performance of TV Azteca allowed the issuing of debt in both international and domestic markets during the year, which together with cash generated by the company, contributed to early amortization of shorter term liabilities. This reduced the total debt balance, extended the maturity profile and reduced our exposure to liabilities in foreign currency," said Esteban Galíndez, CFO of TV Azteca.

**Sale of assets of Azteca America**

During the quarter, TV Azteca announced that in line with the company's strategic purpose, which centers our strategic purpose on solid core operations in Mexico and maximizing our profitability abroad, sold the assets of Azteca America to HC2 Network Inc., a holding company based in New York City.

Through this transaction, HC2 Network acquired Azteca America, some rights to part of its programming inventory, marketing, advertising sales, assets, results, and operations. The transaction also includes a seven-year programming and services agreement that will allow HC2 Network to have access, under certain rules, to TV

Azteca's library and programming in Mexico, including certain entertainment shows, talk shows, reality programs, news, series, and telenovelas.

TV Azteca considers the transaction to strengthen its commitment to bring the most relevant and highest-quality content to audiences abroad, with solid profitability. The transaction announced today complements its new vision of value, and Azteca America and HC2 Network will develop important content distribution agreements.

As a result of the sale, Azteca America ceases to consolidate its results in the financial statements of TV Azteca, and for this and previous periods only its net result is recorded in the line of discontinued items.

**Fiber-optic network in Peru**

As previously announced, 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 focus of the company. Based on this analysis, TV Azteca will formulate a plan of action regarding these investments.

**Twelve month results**

Net sales for 2017 were Ps.13,829 million, 11% higher than the Ps.12,410 million in 2016. Total costs and expenses were Ps.9,739 million, from Ps.8,312 million for the previous year.

TV Azteca reported EBITDA of Ps.4,090 million, compared to Ps.4,098 million for the previous year. EBITDA margin for the year was 30%. Operating profit increased 5% to Ps.3,073 million. The company recorded a net loss of Ps.1,163 million, compared to a net loss of Ps.3,157 million for 2016, as a result, mainly, from a reduction in the comprehensive financing cost this year.

| | 2016 | **2017** | **Change** | |
|---|---|---|---|---|
| | | | **Ps.** | **%** |
| **Net sales** | $12,410 | **$13,829** | **$1,420** | **11%** |
| **EBITDA** | $4,098 | **$4,090** | **$(7)** | **0%** |
| **Operating profit** | $2,938 | **$3,073** | **$135** | **5%** |
| **Net result** | $(3,157) | **$(1,163)** | **$1,993** | **63%** |
| **Net result per CPO** | $(1.06) | **$(0.39)** | **$0.67** | **63%** |

Figures in millions of pesos.
EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.
The number of CPOs outstanding as of December 31, 2016 was 2,987 million and as of December 31, 2017 was 2,985 million.

**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 Trece, Azteca 7, adn40 and a+ through more than 300 owned and operated stations across the country. The company also operates 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), 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 Totalplay Empresarial (totalplayempresarial.com.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.


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**TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES**
**CONSOLIDATED RESULTS OF OPERATIONS**
**(Millions of Mexican pesos of December 31 of 2016 and 2017 )**

| | Fourth Quarter of : | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2016 | | 2017 | | Change | | | |
| **Net revenue** | **Ps 3,727** | **100%** | **Ps 4,005** | **100%** | **Ps 277** | **7%** | | |
| Programming, production and transmission costs | 1,795 | 48% | 2,099 | 52% | 304 | 17% | | |
| Selling and administrative expenses | 473 | 13% | 490 | 12% | 18 | 4% | | |
| Total costs and expenses | 2,268 | 61% | 2,589 | 65% | 321 | 14% | | |
| **EBITDA** | **1,460** | **39%** | **1,416** | **35%** | **(44)** | **-3%** | | |
| Depreciation and amortization | 206 | | 188 | | (18) | | | |
| Other expense -Net | 123 | | 66 | | (57) | | | |
| **Operating profit** | **1,130** | **30%** | **1,162** | **29%** | **32** | **3%** | | |
| Equity in income from affiliates | 8 | | (44) | | (52) | | | |
| Comprehensive financing result: | | | | | | | | |
| Interest expense | (380) | | (357) | | 22 | | | |
| Other financing expense | (47) | | (189) | | (142) | | | |
| Interest income | 22 | | 20 | | (2) | | | |
| Exchange loss -Net | (741) | | (479) | | 262 | | | |
| | (1,146) | | (1,006) | | 140 | | | |
| **Income before the following provision** | **(8)** | **0%** | **112** | **3%** | **119** | | | |
| Provision for income tax | (79) | | (195) | | (116) | | | |
| **Profit (Loss) from continuing operations** | **(87)** | | **(84)** | | **3** | **3%** | | |
| Impairment of long-live assets | - | | (442) | | (442) | | | |
| Profit (loss) from discontinued operations | (91) | | (789) | | (698) | | | |
| **Net income** | **Ps (178)** | | **Ps (1,315)** | | **Ps (1,137)** | | | |
| **Non-controlling share in net profit** | **Ps 3** | | **Ps 3** | | **Ps 0** | | | |
| **Controlling share in net profit** | **Ps (181)** | **-5%** | **Ps (1,319)** | **-33%** | **Ps (1,137)** | **-628%** | | |

**TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES**
**CONSOLIDATED RESULTS OF OPERATIONS**
**(Millions of Mexican pesos of December 31 of 2016 and 2017 )**

| | Period ended December 31, | | | | | | Change | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2016 | | | 2017 | | | | | | |
| **Net revenue** | **Ps** | **12,410** | **100%** | **Ps** | **13,829** | **100%** | **Ps** | **1,420** | **11%** |
| Programming, production and transmission costs | | 6,792 | 55% | | 8,187 | 59% | | 1,394 | 21% |
| Selling and administrative expenses | | 1,520 | 12% | | 1,552 | 11% | | 33 | 2% |
| Total costs and expenses | | 8,312 | 67% | | 9,739 | 70% | | 1,427 | 17% |
| **EBITDA** | | **4,098** | **33%** | | **4,090** | **30%** | | **(7)** | **0%** |
| Depreciation and amortization | | 686 | | | 762 | | | 76 | |
| Other expense -Net | | 474 | | | 256 | | | (218) | |
| **Operating profit** | | **2,938** | **24%** | | **3,073** | **22%** | | **135** | **5%** |
| Equity in income from affiliates | | 23 | | | (171) | | | (194) | |
| Comprehensive financing result: | | | | | | | | | |
| Interest expense | | (1,419) | | | (1,419) | | | (0) | |
| Other financing expense | | (136) | | | (527) | | | (391) | |
| Interest income | | 89 | | | 110 | | | 21 | |
| Exchange Gain -Net | | (1,611) | | | 794 | | | 2,405 | |
| | | (3,076) | | | (1,042) | | | 2,034 | |
| **Income before the following provision** | | **(115)** | **-1%** | | **1,860** | **13%** | | **1,974** | |
| Provision for income tax | | (911) | | | (898) | | | 14 | |
| **Profit (Loss) from continuing operations** | | **(1,026)** | | | **962** | | | **1,988** | |
| Impairment of long-live assets | | - | | | (442) | | | (442) | |
| Profit (loss) from discontinued operations | | (2,147) | | | (1,691) | | | 455 | |
| **Net income** | **Ps** | **(3,173)** | | **Ps** | **(1,171)** | | **Ps** | **2,001** | |
| **Non-controlling share in net profit** | **Ps** | **(16)** | | **Ps** | **(8)** | | **Ps** | **8** | |
| **Controlling share in net profit** | **Ps** | **(3,157)** | **-25%** | **Ps** | **(1,163)** | **-8%** | **Ps** | **1,993** | **63%** |

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

| | At December 31 | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2016 | | 2017 | | Change | | |
| **Current assets:** | | | | | | | |
| Cash and cash equivalents | Ps | 4,471 | Ps | 2,783 | Ps | (1,688) | |
| Accounts receivable | | 6,963 | | 8,578 | | 1,615 | |
| Other current assets | | 4,359 | | 4,840 | | 481 | |
| **Total current assets** | | **15,793** | | **16,201** | | **408** | **3%** |
| Accounts receivable | | - | | 222 | | 222 | |
| Exhibition rights | | 3,230 | | 2,644 | | (586) | |
| Property, plant and equipment-Net | | 4,111 | | 3,755 | | (356) | |
| Television concessions-Net | | 10,785 | | 5,490 | | (5,295) | |
| Other assets | | 1,821 | | 1,553 | | (268) | |
| Deferred income tax asset | | 1,825 | | 1,537 | | (288) | |
| **Total long term assets** | | **21,772** | | **15,201** | | **(6,571)** | **-30%** |
| **Total assets** | **Ps** | **37,565** | **Ps** | **31,402** | **Ps** | **(6,163)** | **-16%** |
| **Current liabilities:** | | | | | | | |
| Other current liabilities | | 5,367 | | 5,757 | | 390 | |
| **Total current liabilities** | | **5,367** | | **5,757** | | **390** | **7%** |
| **Long-term debt:** | | | | | | | |
| Structured Securities Certificates | | - | | 3,938 | | 3,938 | |
| Long-term debt | | 16,369 | | 7,656 | | (8,713) | |
| **Total long-term debt** | | **16,369** | | **11,594** | | **(4,775)** | **-29%** |
| **Other long term liabilities:** | | | | | | | |
| Advertising advances | | 7,671 | | 7,662 | | (9) | |
| American Tower Corporation (due 2069) | | 1,892 | | 1,804 | | (88) | |
| Deferred income tax | | 602 | | 322 | | (280) | |
| **Total other long-term liabilities** | | **10,165** | | **9,788** | | **(377)** | **-4%** |
| **Total liabilities** | | **31,901** | | **27,139** | | **(4,762)** | **-15%** |
| **Total stockholders' equity** | | **5,664** | | **4,263** | | **(1,401)** | **-25%** |
| **Total liabilities and equity** | **Ps** | **37,565** | **Ps** | **31,402** | **Ps** | **(6,163)** | **-16%** |

**TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(Millions of Mexican pesos of December 31 of 2016 and 2017)**

| | Period ended December 31, | | | |
|---|---|---|---|---|
| | | 2016 | | 2017 |
| Operating activities: | | | | |
| Income before taxes on earnings | Ps | (115) | Ps | 1,860 |
| Charges to income not affecting resource | | 4,062 | | 818 |
| **Cash flow generated before taxes to income** | | **3,947** | | **2,678** |
| Accounts receivable and related parties | | 814 | | (960) |
| Inventories and performance rights | | 197 | | 402 |
| Accounts payable, accrued expenses and taxes on earnings | | (1,019) | | (500) |
| **Net cash flow from operating activities** | | **3,939** | | **1,621** |
| **Investing activities:** | | | | |
| Acquisitions of property and equipment, intangibles and others | | (668) | | (274) |
| Financial assets available-for-sale | | (276) | | 103 |
| Net sale of Azteca America assets | | - | | 1,994 |
| **Net cash flows from investing activities** | | **(944)** | | **1,823** |
| **Financing activities:** | | | | |
| Repayment of borrowings, net | | - | | (3,815) |
| Interest paid | | (1,431) | | (1,292) |
| Others | | (33) | | (25) |
| **Net cash flows from financing activities** | | **(1,463)** | | **(5,132)** |
| Increase in cash and cash equivalents | | 1,532 | | (1,688) |
| Cash and cash equivalents at begining of year | | 2,938 | | 4,471 |
| **Cash and cash equivalents at end of year** | Ps | **4,471** | Ps | **2,783** |