



**TV AZTECA ANNOUNCES 144% GROWTH IN EBITDA
TO Ps.990 MILLION FOR THE SECOND QUARTER OF 2016**

—Operating profit increases seven times to Ps.645 million—

—Net sales grew 20% to Ps.3,583 million—

Mexico City, July 21, 2016—TV Azteca, S.A.B. de C.V. (BMV: AZTECA; Latibex: XTZA), one of the two largest producers of Spanish-language television programming in the world, announced today financial results for the second quarter of 2016.

Second quarter results

“TV Azteca’s leading formats have fascinated on a daily basis millions of people from all socioeconomic levels, enabling advertisers to effectively reach audiences in target markets during the period,” said Benjamin Salinas, CEO of TV Azteca. “The successful content led to rising revenues, which together with the strengthening of the company’s operational efficiency, significantly boosted profitability for the quarter.”

Net sales for the quarter were Ps.3,583 million, 20% higher than the Ps.2,982 million for the same quarter of last year. Total costs and expenses were Ps.2,593 million, compared to Ps.2,576 million for the same period last year.

As a result, TV Azteca reported EBITDA of Ps.990 million, 144% above the Ps.406 million from last year; EBITDA margin for the quarter was 28%, 14 percentage points above previous year. Operating profit grew seven times to Ps.645 million.

The company registered a net loss of Ps.529 million, compared to a net loss of Ps.635 million for the same quarter of 2015.

	2Q 2015	2Q 2016	Change	
			Ps.	%
Net sales	\$2,982	\$3,583	\$601	20%
EBITDA	\$406	\$990	\$584	144%
Operating profit	\$85	\$645	\$560	658%
Net result	\$(635)	\$(529)	\$107	17%
Net result per CPO	\$(0.21)	\$(0.18)	\$0.03	17%

Figures in millions of pesos.

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

The number of CPOs outstanding as of June 30, 2015 was 2,985 million and as of June 30, 2016 was 2,987 million.

Net sales

Domestic advertising sales grew 14% to Ps.2,859 million, from Ps.2,499 million a year ago, as a result of the commercialization of increasingly successful content and both *Copa America Centenario* and UEFA Euro 2016 soccer matches.

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.282 million this quarter, an 8% increase compared to Ps.261 million a year ago.

Content sales to other countries were Ps.32 million in the period, from Ps.45 million in the previous year; revenue for the quarter resulted from the commercialization of the shows *Corazón en Condominio* in Africa, *Lo Que Callamos las Mujeres* in South America and *Pasión Morena* in Europe, 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 contrast to Ps.12 million the previous year.

Sales from Azteca Comunicaciones Colombia —derived from telecommunications services through the fiber-optic network that the company operates in that country— were Ps.171 million, 4% higher than the Ps.165 million for the previous year.

Azteca Comunicaciones Peru had revenue of Ps.221 million in reimbursements from the Peruvian government for payments made by the company for the construction and maintenance of the *Red Dorsal Nacional de Fibra Óptica* fiber optic network. As previously announced, the government provides the funds for both the construction and operation of the network through a 20-year concession and TV Azteca will commercialize the telecommunications services in 339 locations.

Costs and expenses

Costs and expenses during the quarter increased 1% as a result of a 3% growth in production, programming, transmission and telecommunication service costs — to Ps.2,242 million, from Ps.2,171 million in the same period a year ago — partially compensated by a 13% reduction in selling and administrative expenses — to Ps.351 million, compared to Ps.405 million of the previous year.

The increase in production costs in the period largely reflects the exhibition rights of the *Copa America Centenario* and UEFA Euro 2016 soccer matches, partially compensated by increased operative efficiency in content generation.

Azteca Comunicaciones Colombia reported costs of Ps.315 million in the quarter, compared to Ps.307 million for the previous year. Costs during the period include rents paid for the transmission towers and space to operate telecommunications nodes, as well as the maintenance and operation of the network.

Costs related to Azteca Comunicaciones Peru were Ps.115 million in the quarter, mainly related to the construction of the fiber-optic network in that country. A year ago no costs were recorded in Peru because the construction of the network was at its initial stage.

The reduction in selling and administrative expenses reflects lower operational, personnel, service and travel expenses this quarter. “We continue to develop strategies to streamline operations and design strict budget controls in each component of expenditures, resulting in additional savings this period,” commented Esteban Galíndez, CFO of TV Azteca.

EBITDA and net results

EBITDA was Ps.990 million, 144% higher than the Ps.406 million for the same period of the prior year. Compared to the 2Q14, the increase in EBITDA was 9%.

Operating profit increased seven times to Ps.645 million, from Ps.85 million a year ago.

The most significant variations below EBITDA were the following:

i) An increase of Ps.37 million in depreciation and amortization from the acquisition of digital transmission equipment for the local stations of the company in Mexico a year ago, as well as the amortization of the fiber optic network built in Colombia.

ii) Growth of Ps.40 million in interest paid due to the exchange rate depreciation effect over the equivalent in pesos of the company’s debt, denominated in US dollars.

iii) A charge of Ps.296 million in the exchange result as a consequence of the liability position in foreign currency of the company, together with a 7.1% Peso – US dollar depreciation this quarter, compared to 2.8% depreciation a year ago.

iv) An increase in the provision for income tax of Ps.84 million, due to the recognition of income taxes on the net income from Azteca Comunicaciones Perú for the construction of the *Red Dorsal Nacional de Fibra Óptica* fiber optic network in that country.

TV Azteca registered a net loss of Ps.529 million for the quarter, compared to a net loss of Ps.635 million for the same period a year ago.

Debt

As of June 30, 2016, TV Azteca's outstanding debt — excluding Ps.1,694 million debt due in 2069 — was Ps.14,623 million.

The cash balance at the end of the quarter totaled Ps.2,755 million. In comparison to the cash balance as of March 31, 2016 of Ps.2,414 million, cash and cash equivalents increased 14%.

Net debt of the company as of June 30, 2016, excluding debt due in 2069, was Ps.11,868 million at the end of the quarter.

Six months results

Net sales for the first six months of 2016 were Ps.6,444 million, 17% higher than the Ps.5,527 million for the same period of 2015. Total costs and expenses were Ps.5,045 million, from Ps.4,740 million for the same period of the previous year. The increase in costs mainly derives from the construction and maintenance of the fiber-optic network of Azteca Comunicaciones Perú.

TV Azteca reported EBITDA of Ps.1,399 million, 78% above the Ps.788 million for the first half a year ago. EBITDA margin for the six-month period was 22%, eight percentage points higher than the same period a year ago. Operating profit grew 288% to Ps.759 million. The company recorded a net loss of Ps.1,089 million, compared to net loss of Ps.1,316 million for the same period of 2015.

	6M 2015	6M 2016	Change	
			Ps.	%
Net sales	\$5,527	\$6,444	\$917	17%
EBITDA	\$788	\$1,399	\$612	78%
Operating profit	\$195	\$759	\$563	288%
Net result	\$(1,316)	\$(1,089)	\$228	17%
Net result per CPO	\$(0.44)	\$(0.36)	\$0.08	17%

Figures in millions of pesos.

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

The number of CPOs outstanding as of June 30, 2015 was 2,985 million and as of June 30, 2016 was 2,987 million.

Strategic focus of the company

The Board of Directors of TV Azteca asked the CEO to update the valuation and prospects of telecommunications investments in South America in order to clarify the long-term strategic focus of the company.

Based on the financial analysis and strategic review, TV Azteca will formulate a plan of action for such investments, which will be released during the second semester of this year.

Company Profile

TV Azteca is one of the two largest producers of Spanish-language television programming in the world, operating two national television networks in Mexico, Azteca Trece and Azteca 7, through more than 300 owned and operated stations across the country. TV Azteca affiliates include Azteca US, 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 US (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 June 30 of 2015 and 2016)

	Second Quarter of :						Change	
	2015		2016					
Net revenue	Ps 2,982	100%	Ps 3,583	100%	Ps 601	20%		
Programming, production and transmission costs	2,171	73%	2,242	63%	71	3%		
Selling and administrative expenses	405	14%	351	10%	(54)	-13%		
Total costs and expenses	2,576	86%	2,593	72%	17	1%		
EBITDA	406	14%	990	28%	584	144%		
Depreciation and amortization	169		206		37			
Other expense -Net	151		138		(13)			
Operating profit	85	3%	645	18%	560	659%		
Equity in income from affiliates	9		3		(6)			
Comprehensive financing result:								
Interest expense	(306)		(345)		(40)			
Other financing expense	(25)		(40)		(16)			
Interest income	31		19		(12)			
Exchange loss -Net	(218)		(514)		(296)			
	(518)		(881)		(363)			
Income before the following provision	(424)	-14%	(233)	-7%	191			
Provision for income tax	(211)		(296)		(84)			
Net income	Ps (635)		Ps (529)		Ps 107			
Non-controlling share in net profit	Ps (6)		Ps (7)		Ps (1)			
Controlling share in net profit	Ps (630)	-21%	Ps (522)	-15%	Ps 108			

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED RESULTS OF OPERATIONS
(Millions of Mexican pesos of June 30 of 2015 and 2016)

	Period ended June 30,						Change	
	2015		2016					
Net revenue	Ps 5,527	100%	Ps 6,444	100%	Ps 917		17%	
Programming, production and transmission costs	3,952	72%	4,373	68%	421		11%	
Selling and administrative expenses	787	14%	672	10%	(116)		-15%	
Total costs and expenses	4,740	86%	5,045	78%	305		6%	
EBITDA	788	14%	1,399	22%	612		78%	
Depreciation and amortization	347		416		68			
Other expense -Net	245		225		(20)			
Operating profit	195	4%	759	12%	563		288%	
Equity in income from affiliates	14		7		(7)			
Comprehensive financing result:								
Interest expense	(603)		(689)		(86)			
Other financing expense	(38)		(71)		(33)			
Interest income	64		43		(21)			
Exchange Gain -Net	(479)		(502)		(24)			
	(1,056)		(1,219)		(163)			
Income before the following provision	(847)	-15%	(454)	-7%	393			
Provision for income tax	(470)		(635)		(165)			
Net income	Ps (1,316)		Ps (1,089)		Ps 228			
Non-controlling share in net profit	Ps (11)		Ps (13)		Ps (2)			
Controlling share in net profit	Ps (1,306)	-24%	Ps (1,075)	-17%	Ps 230			

TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Millions of Mexican pesos of June 30 of 2015 and 2016)

	At June 30				
	2015	2016			Change
Current assets:					
Cash and cash equivalents	Ps 5,304	Ps 2,755	Ps (2,549)		
Accounts receivable	6,762	9,304	2,542		
Other current assets	3,855	4,528	673		
Total current assets	15,921	16,587	666	4%	
Accounts receivable	497	86	(411)		
Exhibition rights	2,338	2,594	256		
Property, plant and equipment-Net	4,201	4,105	(96)		
Television concessions-Net	9,538	10,241	703		
Other assets	3,664	3,419	(245)		
Deferred income tax asset	2,680	2,404	(276)		
Total long term assets	22,918	22,849	(69)	0%	
Total assets	Ps 38,839	Ps 39,436	Ps 597	2%	
Current liabilities:					
Short-term debt	Ps 1,176	Ps -	Ps (1,176)		
Other current liabilities	3,915	7,174	3,259		
Total current liabilities	5,091	7,174	2,083	41%	
Long-term debt:					
Long-term debt	12,358	14,623	2,265		
Total long-term debt	12,358	14,623	2,265		
Other long term liabilities:					
Advertising advances	8,032	8,300	268		
American Tower Corporation (due 2069)	1,439	1,694	255		
Deferred income tax	1,128	549	(579)		
Total other long-term liabilities	10,599	10,543	(56)	-1%	
Total liabilities	28,048	32,340	4,292	15%	
Total stockholders' equity	10,791	7,096	(3,695)	-34%	
Total liabilities and equity	Ps 38,839	Ps 39,436	Ps 597	2%	