



## **AZTECA ANNOUNCES SALES OF Ps.3,016 MILLION AND EBITDA OF Ps.971 MILLION FOR THE THIRD QUARTER OF 2013**

**—Solid Progress in the construction of the largest fiber optic network in Latin America—**

**Mexico City, October 22, 2013**—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 third quarter and for the first nine months of 2013.

### **Third quarter results**

The results for this period are hardly comparable to those of the same period of last year because of the transmission and commercialization of the London Olympic Games during the third quarter of 2012.

Net sales for the quarter were Ps.3,016 million, from Ps.3,198 million for the same quarter of 2012. Total costs and expenses were Ps.2,044 million, 4% below the Ps.2,138 million for the same period of the previous year.

As a result, Azteca reported EBITDA of Ps.971 million, compared to Ps.1,060 million from last year; EBITDA margin for the quarter was 32%. The company registered net income of Ps.330 million, compared to net income of Ps.718 million for the same quarter of 2012.

	3Q 2012	3Q 2013	Change	
			Ps.	%
<b>Net sales</b>	\$3,198	<b>\$3,016</b>	<b>\$(182)</b>	<b>-6%</b>
<b>EBITDA</b>	\$1,060	<b>\$971</b>	<b>\$(88)</b>	<b>-8%</b>
<b>Net result</b>	\$718	<b>\$330</b>	<b>\$(388)</b>	<b>-54%</b>
<b>Net result per CPO</b>	\$0.24	<b>\$0.11</b>	<b>\$(0.13)</b>	<b>-54%</b>

Figures in millions of pesos.

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

The number of CPOs outstanding as of September 30, 2012 was 2,984 million and as of September 30, 2013 was 2,987 million.

### **Net sales**

Domestic ad sales were Ps.2,750 million in the period, compared to Ps.2,923 million for the same period of the previous year. Additionally, the company registered sales from Azteca America —the company’s wholly-owned broadcast television network focused on the U.S. Hispanic market— of Ps.223 million, compared to Ps.229 million a year ago.

Content sales to other countries were Ps.43 million in the period, from Ps.46 million in the previous year; revenue for the quarter resulted from the exports of programs such as *La Mujer de Judas* in Latin America and Asia, as well as *Destino* in South America and Europe.

### **Costs and expenses**

Costs and expenses decreased 4% during the period, as a result of a 6% reduction in production, programming and transmission costs —to Ps.1,659 million from Ps.1,761 million in the same period a year ago— and a 2% increase in selling and administrative expenses —to Ps.385 million, compared to Ps.377 million in the same quarter of 2012.

The reduction in costs results from growing efficiency in the production of successful content, derived from solid strategies that control disbursements effectively; as well as the absence of the exhibition rights and production costs related to the Olympic Games from a year ago.

The performance of sales and administrative expenses during the period is mainly related to fees and personnel expenses.

## **EBITDA and net result**

EBITDA was Ps.971 million, compared to Ps.1,060 million in the same period of last year; the most significant change below EBITDA was a Ps.201 million deterioration in the comprehensive financing result, derived from an exchange rate loss during the period, compared to income during last year.

Net income for the quarter was Ps.330 million, from Ps.718 million last year.

## **Debt**

As of September 30, 2013, Azteca's outstanding debt —on a pro forma basis, excluding Ps.5,142 million that will be prepaid during the fourth quarter— was Ps.11,353 million.

The cash balance of the company at the end of the period —excluding the Ps.5,142 million that will be applied to the previously mentioned prepayment of debt— was Ps.5,716 million. As a result, net debt was Ps.5,637 million at the end of the third quarter.

During the period Azteca successfully placed notes for US\$500 million, with a maturity of seven years, and a 7.63% coupon. With this debt placement, the company will pay, during the fourth quarter, Structured Securities Certificates for Ps.4,778 million, that have gradual amortizations; as well as US\$28 million —equivalent to Ps.364 million— from outstanding American Tower Corporation debt.

The new issuance will improve the maturity profile of the debt and increase available cash flow generation after financial obligations for the coming years. This will result in higher resources for investments that will generate greater dynamism in future company operations.

## **Fiber optic network**

During the quarter Azteca made solid progress in the construction of the fiber optic network that will cover close to 80% of the territory of Colombia. At the end of September, the network already covered 500 of a total of 753 municipalities to be covered at the end of the project, which represents a 66% advancement in the deployment of 19,000 kilometers of fiber optics.

As previously announced, Azteca is building in Colombia the largest fiber optic network in Latin America, and will sell telecommunications services in the country. The commercialization of telecommunications services will diversify and strengthen Azteca revenue sources, adding to existing solid results in the media business.

## Nine month results

Net sales in the first nine months of 2013 were Ps.8,252 million, compared to the Ps.8,943 million for the previous year. The decrease was mainly caused by the changes in the Mexican federal government, which is redefining communication projects, as well as the commercialization of the Olympic Games during last year.

Total costs and expenses were Ps.5,821 million, 4% below the Ps.6,068 million for the same period of 2012, derived mainly from strict budgeting and effective control of disbursements for content production.

Azteca reported EBITDA of Ps.2,432 million, compared to Ps.2,875 million for the prior year; EBITDA margin was 29% for the period. The company generated net income of Ps.397 million, compared to Ps.1,196 million for the same period of 2012, in the context of a Ps.213 million exchange rate deterioration during the period.

	9M 2012	9M 2013	Change	
			Ps.	%
<b>Net sales</b>	\$8,943	<b>\$8,252</b>	<b>\$(691)</b>	<b>-8%</b>
<b>EBITDA</b>	\$2,875	<b>\$2,432</b>	<b>\$(444)</b>	<b>-15%</b>
<b>Net income</b>	\$1,196	<b>\$397</b>	<b>\$(799)</b>	<b>-67%</b>
<b>Net income per CPO</b>	\$0.40	<b>\$0.13</b>	<b>\$(0.27)</b>	<b>-67%</b>

Figures in millions of pesos.

EBITDA: Operating Profit Before Depreciation and Amortization.

The number of CPOs outstanding as of September 30, 2012 was 2,984 million and as of September 30, 2013 was 2,987 million.

### Company Profile

Azteca is one of the two largest producers of Spanish-language television programming in the world, operating two national television networks in Mexico, Azteca 13 and Azteca 7, through more than 300 owned and operated stations across the country. Azteca affiliates include Azteca America Network, a broadcast television network focused on the rapidly growing U.S. Hispanic market, and Azteca Web, an Internet company for North American Spanish speakers.

Azteca is a Grupo Salinas company ([www.gruposalinas.com](http://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](http://www.ricardosalinas.com)), Grupo Salinas operates as a management development and decision forum for the top leaders of member companies. The companies include: Azteca ([www.irtvazteca.com](http://www.irtvazteca.com)), Azteca America ([www.aztecaamerica.com](http://www.aztecaamerica.com)), Grupo Elektra ([www.grupoelektra.com.mx](http://www.grupoelektra.com.mx)), Banco Azteca ([www.bancoazteca.com.mx](http://www.bancoazteca.com.mx)), Advance America ([www.advanceamerica.net](http://www.advanceamerica.net)), Afore Azteca ([www.aforeazteca.com.mx](http://www.aforeazteca.com.mx)), Seguros Azteca ([www.segurosazteca.com.mx](http://www.segurosazteca.com.mx)) and Grupo Iusacell ([www.iusacell.com](http://www.iusacell.com)). Each of the Grupo Salinas companies operates independently, with its own management, board of directors and shareholders. Grupo Salinas has no equity holdings. However, 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 Azteca and its subsidiaries are identified in documents sent to securities authorities.*

#### Investor Relations:

Bruno Rangel  
+ 52 (55) 1720 9167  
[jrangelk@tvazteca.com.mx](mailto:jrangelk@tvazteca.com.mx)

Rolando Villarreal  
+52 (55) 17 20 91 67  
[rvillarreal@gruposalinas.com.mx](mailto:rvillarreal@gruposalinas.com.mx)

#### Press Relations:

Jaime Ramos  
+52 (55) 17 20 14 16  
[jramosr@tvazteca.com.mx](mailto:jramosr@tvazteca.com.mx)

Daniel McCosh  
+52 (55) 17 20 00 59  
[dmccosh@tvazteca.com.mx](mailto:dmccosh@tvazteca.com.mx)

**TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED RESULTS OF OPERATIONS**  
(Millions of Mexican pesos of September 30 of 2012 and 2013)

	Third Quarter of :				Change	
	2012		2013			
<b>Net revenue</b>	<b>Ps 3,198</b>	<b>100%</b>	<b>Ps 3,016</b>	<b>100%</b>	<b>Ps (182)</b>	<b>-6%</b>
Programming, production and transmission costs	1,761	55%	1,659	55%	(102)	-6%
Selling and administrative expenses	377	12%	385	13%	8	2%
Total costs and expenses	<u>2,138</u>	67%	<u>2,044</u>	68%	<u>(94)</u>	-4%
<b>EBITDA</b>	<b>1,060</b>	<b>33%</b>	<b>971</b>	<b>32%</b>	<b>(88)</b>	<b>-8%</b>
Depreciation and amortization	143		154		11	
Other expense -Net	57		136		78	
<b>Operating profit</b>	<b><u>860</u></b>	<b>27%</b>	<b><u>682</u></b>	<b>23%</b>	<b><u>(178)</u></b>	<b>-21%</b>
Equity in income from affiliates	<u>6</u>		<u>2</u>		<u>(5)</u>	
Comprehensive financing result:						
Interest expense	(244)		(237)		7	
Other financing expense	(16)		(4)		12	
Interest income	51		32		(19)	
Exchange loss -Net	193		(9)		(201)	
	<u>(17)</u>		<u>(218)</u>		<u>(201)</u>	
<b>Income before the following provision</b>	<b>849</b>	<b>27%</b>	<b>466</b>	<b>15%</b>	<b>(384)</b>	<b>-45%</b>
Provision for income tax	(136)		(140)		(3)	
<b>Net income</b>	<b><u>Ps 713</u></b>		<b><u>Ps 326</u></b>		<b><u>Ps (387)</u></b>	
<b>Non-controlling share in net profit</b>	<b><u>Ps (5)</u></b>		<b><u>Ps (4)</u></b>		<b><u>Ps 1</u></b>	
<b>Controlling share in net profit</b>	<b><u>Ps 718</u></b>	<b>22%</b>	<b><u>Ps 330</u></b>	<b>11%</b>	<b><u>Ps (388)</u></b>	<b>-54%</b>

**TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED RESULTS OF OPERATIONS**  
(Millions of Mexican pesos of September 30 of 2012 and 2013)

	<u>Period ended September 30,</u>				<u>Change</u>	
	<u>2012</u>		<u>2013</u>			
<b>Net revenue</b>	<b>Ps 8,943</b>	<b>100%</b>	<b>Ps 8,252</b>	<b>100%</b>	<b>Ps (691)</b>	<b>-8%</b>
Programming, production and transmission costs	4,966	56%	4,682	57%	(284)	-6%
Selling and administrative expenses	1,102	12%	1,139	14%	37	3%
Total costs and expenses	6,068	68%	5,821	71%	(247)	-4%
<b>EBITDA</b>	<b>2,875</b>	<b>32%</b>	<b>2,432</b>	<b>29%</b>	<b>(444)</b>	<b>-15%</b>
Depreciation and amortization	413		446		34	
Other expense -Net	208		345		136	
<b>Operating profit</b>	<b>2,254</b>	<b>25%</b>	<b>1,641</b>	<b>20%</b>	<b>(614)</b>	<b>-27%</b>
Equity in income from affiliates	7		(7)		(14)	
Comprehensive financing result:						
Interest expense	(733)		(702)		32	
Other financing expense	(139)		(65)		74	
Interest income	172		119		(53)	
Exchange Gain -Net	184		(29)		(213)	
	(516)		(677)		(160)	
<b>Income before the following provision</b>	<b>1,745</b>	<b>20%</b>	<b>957</b>	<b>12%</b>	<b>(788)</b>	<b>-45%</b>
Provision for income tax	(561)		(572)		(11)	
<b>Net income</b>	<b>Ps 1,184</b>		<b>Ps 385</b>		<b>Ps (799)</b>	
<b>Non-controlling share in net profit</b>	<b>Ps (12)</b>		<b>Ps (11)</b>		<b>Ps 1</b>	
<b>Controlling share in net profit</b>	<b>Ps 1,196</b>	<b>13%</b>	<b>Ps 397</b>	<b>5%</b>	<b>Ps (799)</b>	<b>-67%</b>

**TV AZTECA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Millions of Mexican pesos of September 30 of 2012 and 2013)

	<u>At September 30</u>			
	<u>2012</u>	<u>2013</u>		
			<u>Change</u>	
<b>Current assets:</b>				
Cash and cash equivalents	<b>Ps</b> 6,061	<b>Ps</b> 10,858	<b>Ps</b> 4,797	
Accounts receivable	6,250	6,383	133	
Other current assets	3,088	3,483	395	
<b>Total current assets</b>	<b>15,399</b>	<b>20,724</b>	<b>5,325</b>	<b>35%</b>
Exhibition rights	1,464	2,401	937	
Property, plant and equipment-Net	3,449	3,389	(60)	
Television concessions-Net	7,721	7,760	39	
Other assets	1,340	1,833	493	
Deferred income tax asset	4,286	4,672	386	
<b>Total long term assets</b>	<b>18,260</b>	<b>20,055</b>	<b>1,795</b>	<b>10%</b>
<b>Total assets</b>	<b>Ps 33,659</b>	<b>Ps 40,779</b>	<b>Ps 7,120</b>	<b>21%</b>
<b>Current liabilities:</b>				
Short-term debt	<b>Ps</b> 667	<b>Ps</b> 667	<b>Ps</b> -	
Other current liabilities	2,944	3,329	385	
<b>Total current liabilities</b>	<b>3,611</b>	<b>3,996</b>	<b>385</b>	<b>11%</b>
<b>Long-term debt:</b>				
Structured Securities Certificates	4,778	4,111	(667)	
Long-term debt	3,773	10,159	6,386	
<b>Total long-term debt</b>	<b>8,551</b>	<b>14,270</b>	<b>5,719</b>	
<b>Other long term liabilities:</b>				
Advertising advances	5,801	5,408	(393)	
American Tower Corporation (due 2069)	1,539	1,558	19	
Deferred income tax asset	3,106	3,463	357	
<b>Total other long-term liabilities</b>	<b>10,446</b>	<b>10,429</b>	<b>(17)</b>	<b>0%</b>
<b>Total liabilities</b>	<b>22,608</b>	<b>28,695</b>	<b>6,087</b>	<b>27%</b>
<b>Total stockholders' equity</b>	<b>11,051</b>	<b>12,084</b>	<b>1,033</b>	<b>9%</b>
<b>Total liabilities and equity</b>	<b>Ps 33,659</b>	<b>Ps 40,779</b>	<b>Ps 7,120</b>	<b>21%</b>