

## TV AZTECA ANNOUNCES STRONG FINANCIAL PERFORMANCE FOR THIRD QUARTER AND NINE MONTHS 1997

**-- Net Revenue Up 55 Percent Over A Year Ago;  
EBITDA Up 43 Percent; Net Income Up 94 Percent --**

**-- Advertising Pre-Sales Indicate Strong Momentum for 1998 --**

### FOR IMMEDIATE RELEASE

**Mexico City, Mexico, October 22, 1997** -- TV Azteca, S.A. de C.V. (NYSE: TZA; Mexican Stock Exchange: TVAZTCA), Mexico's second largest television broadcaster, today announced continued strong growth in net revenue, EBITDA, operating income and net income for both the third quarter and nine months ended September 30, 1997 over the comparable periods of a year ago.

TV Azteca, which became public in August of this year, has won a large part of Mexico's U.S.\$ 1.3 billion television advertising market with its production of popular programming and its innovative pricing and payment plans. TV Azteca's combined average weekday prime-time audience share increased from 14 percent at the end of 1994 to 36 percent for September, 1997. TV Azteca currently has the highest-rated show on Mexican television, *Mirada de Mujer*, a soap opera that has consistently been the most popular show in its Prime Time position and recently achieved a 41% audience share.

### Third Quarter Results

In the third quarter of 1997, sales increased 55%, EBITDA increased 43% and net income increased 94% over the third quarter of 1996:

Millions of pesos<sup>1</sup> and dollars<sup>2</sup> except per ADS amounts

	3Q 1996	3Q 1997	Increase
Sales			
Pesos	Ps.4	Ps.8	
US\$	US\$73	US\$112	+55%
EBITDA			
Pesos	Ps.4	Ps.4	
US\$	US\$40	US\$57	+43%
Net Income			
Pesos	Ps.206	Ps.3	
US\$	US \$26	US \$51	+94%
Earnings Per ADS <sup>3</sup>			
Pesos	Ps 1.32	Ps 2.55	
US\$	US\$0.17	US\$0.33	+ 94%

<sup>1</sup> Constant pesos as of September 30, 1997 purchasing power.

<sup>2</sup> Convenience translation as of September 30, 1997 exchange rate of \$7.78 Pesos per US Dollar.

<sup>3</sup> Calculation assumes 156.4 millions of ADSs outstanding after the Initial Public Offering.

The Company's increase in sales in the third quarter of 1997 reflect TV Azteca's growing share of the Mexican audience, particularly in Prime Time. The Company's weekday Prime Time share increased from 30% in the third quarter of 1996 to 33% in the third quarter of 1997. TV Azteca's share of the audience from 6:00 a.m. to midnight, seven days a week increased to 26% in the third quarter of 1997 from 24% in the third quarter of 1996.

### **Results for 9 months 1997**

For the first nine months of 1997, sales increased 87%, EBITDA increased 101% and net income increased 40% compared to the same period last year:

Millions of pesos<sup>1</sup> and dollars<sup>2</sup> except per ADS amounts

	<u>9 months 1996</u>	<u>9 months 1997</u>	<u>Increase</u>
Sales			
Pesos	Ps.1,311	Ps.2,449	
US\$	US\$169	US\$315	+87%
EBITDA			
Pesos	Ps.681	Ps.1,370	
US\$	US\$87	US\$176	+101%
Net Income			
Pesos	Ps.739	Ps.1,034	
US\$	US\$95	US\$133	+40%
Earnings Per ADS <sup>3</sup>			
Pesos	Ps 4.72	Ps 6.61	
US\$	US\$0.61	US\$0.85	+40%

<sup>1</sup> Constant pesos as of September 30, 1997 purchasing power.

<sup>2</sup> Convenience translation as of September 30, 1997 exchange rate of \$7.78 Pesos per US Dollar.

<sup>3</sup> Calculation assumes 156.4 millions of ADSs outstanding after the Initial Public Offering.

Ricardo Salinas Pliego, Chairman, President and Chief Executive Officer of TV Azteca stated, "TV Azteca continues to build momentum towards our goal of winning 50% of the television audience and advertising market. The best example of our ability to become the number one broadcaster in Mexico is *Mirada de Mujer*, the novela we launched in August. *Mirada de Mujer* has consistently won its time-slot and has become the highest-rated program on Mexican television. For the first time in Mexican television history, the number one novela **is not** produced and aired by Televisa. What is also driving our sales is the fact that TV Azteca is clearly the better buy; our advertisers can buy audience as well as targeted demographics."

Mr. Salinas also stated that another driver of growth is that "TV Azteca, as one of two broadcasters in a country of 95 million people, is ideally positioned to take advantage of the growth in the Mexican economy and the increase in advertising spending due to more competition between brands as the Mexican market opens up."

Adrian Steckel, Chief Financial Officer of TV Azteca, stated, "Our 55% increase in net revenue and 43% increase in EBITDA in this quarter compared to last year demonstrate the success of our programming strategy. Producing programs costs us more, but it is also much more profitable because our originally produced programs attract larger audiences. Our 56% and 51% EBITDA margins for the first nine months and the third quarter of 1997, respectively, indicate our ability to produce while controlling costs."

### **Pre-Sales for 1998**

“Our advertising pre-sales are 25% ahead of last year in real terms, and 90% of our customers are opting for *Cost-Per-Rating-Point* pricing. Based on our pre-sales, the continued success of our programming strategy and our ability to produce at a low cost, we are confident that TV Azteca will continue to deliver strong financial and operating results”, Mr. Steckel said.

TV Azteca is the second largest broadcasting company in Mexico. TV Azteca owns and operates two national television networks, whose signals reach 94% and 97%, respectively, of Mexico's 86 million television viewers. In August 1997, TV Azteca completed a successful public offering of approximately 133 million Ordinary Participation Certificates (CPOs), which are traded on the Mexican Stock Exchange and on the New York Stock Exchange, in the form of American Depositary Receipts (each representing four CPOs).

*With the exception of historical information, the matters discussed in this press release are forward-looking statements that involve risks identified in filings with the U.S. Securities and Exchange Commission.*

Investor Inquiries:

Tim Parsa  
Director of Investor Relations and Finance  
TV Azteca, S.A. de C.V.  
(011)(525) 420-1302

Financial Press Inquiries:

Robert Siegfried / Adam Weiner  
Kekst and Company  
(212) 521-4800

Other Press Inquiries:

Oscar M. Argüelles Dorantes  
Director of Press Relation  
TV Azteca, S.A. de C.V.  
(011)(525) 420-5786

(Financial Tables Follow)

**TV Azteca, S.A. de C.V. and Subsidiaries**  
**Consolidated Result of Operations\***  
**Pesos in Sept. 30, 1997 purchasing power**

	Thousands of Pesos			Thousands of Dollars**			
	3rd. Quarter 96	3rd. Quarter 97	Change	3rd. Quarter 96	Margin	3rd. Quarter 97	Margin
<b>Net revenue</b>	<b>\$565,015</b>	<b>\$874,129</b>	<b>55%</b>	<b>\$72,624</b>	<b>100%</b>	<b>\$112,356</b>	<b>100%</b>
Prog., prod. and trans.costs	175,032	289,361	65%	22,498	31%	37,193	33%
S. G. & A.	79,160	140,497	77%	10,175	14%	18,059	16%
<b>EBITDA</b>	<b>310,823</b>	<b>444,271</b>	<b>43%</b>	<b>39,952</b>	<b>55%</b>	<b>57,104</b>	<b>51%</b>
Dep. and Amort.	99,654	105,168		12,809		13,518	
<b>Operating profit</b>	<b>211,170</b>	<b>339,103</b>	<b>61%</b>	<b>27,143</b>	<b>37%</b>	<b>43,587</b>	<b>39%</b>
Other income - Net	(11,152)	(35,228)		(1,433)		(4,528)	
Comprehensive financing cost:							
Interest expense	(112,078)	(115,134)		(14,406)		(14,799)	
Interest Income	7,415	46,987		953		6,039	
Exchange loss - net	7,902	93,698		1,016		12,043	
Gain on Monetary position	79,949	55,636		10,276		7,151	
Net financing (cost) income	(16,812)	81,186		(2,161)		10,435	
<b>Income before tax &amp; ext. ite</b>	<b>205,509</b>	<b>455,517</b>	<b>122%</b>	<b>26,415</b>	<b>36%</b>	<b>58,550</b>	<b>52%</b>
Income tax	(78,427)	(55,841)		(10,081)		(7,178)	
Income before extraordinary i	127,082	399,676		16,334	22%	51,372	46%
Extraordinary item***	78,427	(720)		10,081		(93)	
<b>Net income</b>	<b>\$205,509</b>	<b>\$398,956</b>	<b>94%</b>	<b>\$26,415</b>	<b>36%</b>	<b>\$51,280</b>	<b>46%</b>

\* Unaudited; Mexican GAAP

\*\* Exchange rate: \$7.78 pesos/dollar

\*\*\* Income tax benefits from tax loss carryforwards

**TV Azteca, S.A. de C.V. and Subsidiaries**  
**Consolidated Result of Operations\***  
**Pesos in Sept. 30, 1997 purchasing power**

	Thousands of Pesos			Thousands of Dollars**			
	9 months 96	9 months 97	Change	9 months 96	Margin	9 months 97	Margin
<b>Net revenue</b>	<b>\$1,311,081</b>	<b>\$2,449,385</b>	<b>87%</b>	<b>\$168,519</b>	<b>100%</b>	<b>\$314,831</b>	<b>100%</b>
Prog., prod. and trans.costs	433,389	692,308	60%	55,706	33%	88,986	28%
S. G. & A.	196,949	386,916	96%	25,315	15%	49,732	16%
<b>EBITDA</b>	<b>680,743</b>	<b>1,370,162</b>	<b>101%</b>	<b>87,499</b>	<b>52%</b>	<b>176,113</b>	<b>56%</b>
Dep. and Amort.	303,580	315,787		39,021		40,590	
<b>Operating profit</b>	<b>377,164</b>	<b>1,054,375</b>	<b>180%</b>	<b>48,479</b>	<b>29%</b>	<b>135,524</b>	<b>43%</b>
Other income Net	(22,974)	(115,694)		(2,953)		(14,871)	
Comprehensive financing cost:							
Interest expense	(322,721)	(363,255)		(41,481)		(46,691)	
Interest Income	31,994	126,871		4,112		16,307	
Exchange loss - net	92,326	42,563		11,867		5,471	
Gain on Monetary position	536,883	171,706		69,008		22,070	
Net financing income (cost)	338,482	(22,115)		43,507		(2,843)	
<b>Income before tax &amp; ext. items</b>	<b>738,620</b>	<b>1,147,954</b>	<b>55%</b>	<b>94,938</b>	<b>56%</b>	<b>147,552</b>	<b>47%</b>
Income tax	(235,269)	(243,235)		(30,240)		(31,264)	
Income before extraordinary item	503,352	904,720		64,698	38%	116,288	37%
Extraordinary item***	235,269	129,415		30,240		16,634	
<b>Net income</b>	<b>\$738,620</b>	<b>\$1,034,134</b>	<b>40%</b>	<b>\$94,938</b>	<b>56%</b>	<b>\$132,922</b>	<b>42%</b>

\* Unaudited; Mexican GAAP

\*\* Exchange rate: \$7.78 pesos/dollar

\*\*\* Income tax benefits from tax loss carryforwards

**TV Azteca, S.A. de C.V. and Subsidiaries**  
**Consolidated Balance Sheets\***  
**Pesos in Sept. 30, 1997 purchasing power**

	Thousands of Pesos		Thousands of Dollars**	
	Sept. 30, 1996	Sept. 30, 1997	Sept. 30, 1996	Sept. 30, 1997
<b>Current Assets:</b>				
Cash	\$45,171	\$1,198,826	\$5,806	\$154,091
Accounts Receivable	487,607	984,511	62,674	126,544
Other Current Assets	234,813	733,055	30,182	94,223
<b>Total Current Assets</b>	<b>767,591</b>	<b>2,916,392</b>	<b>98,662</b>	<b>374,858</b>
Property, plant and equipment - net	1,022,757	1,433,095	131,460	184,202
Television concessions - Net	3,151,416	2,515,726	405,066	323,358
Exhibition rights	263,902	267,902	33,921	34,435
Other assets	235,320	162,090	30,247	20,834
Goodwill - net	45,678	79,776	5,871	10,254
<b>Total assets</b>	<b>\$5,486,665</b>	<b>\$7,374,981</b>	<b>\$705,227</b>	<b>\$947,941</b>
<b>Current Liabilities:</b>				
Short Term Debt	263,851	324,962	33,914	41,769
Other Current Liabilities	496,201	428,918	63,779	55,131
<b>Total Current Liabilities</b>	<b>760,052</b>	<b>753,880</b>	<b>97,693</b>	<b>96,900</b>
<b>Long Term Liabilities:</b>				
Guaranted senior notes	0	3,302,548	0	424,492
Bank Loans	2,369,866	231,972	304,610	29,816
Advertising Advances	715,185	733,542	91,926	94,286
Other Long Term Liabilities	108,414	61,137	13,935	7,858
<b>Total Long Term Liabilities</b>	<b>3,193,465</b>	<b>4,329,199</b>	<b>410,471</b>	<b>556,452</b>
<b>Total Liabilities</b>	<b>3,953,517</b>	<b>5,083,079</b>	<b>508,164</b>	<b>653,352</b>
<b>Stockholders' equity</b>	<b>1,533,147</b>	<b>2,291,902</b>	<b>197,063</b>	<b>294,589</b>
<b>Total Liabilities and Equity</b>	<b>\$5,486,665</b>	<b>\$7,374,981</b>	<b>\$705,227</b>	<b>\$947,941</b>

\* Unaudited; Mexican GAAP

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