

October, 2017

TV AZTECA— PREPAYMENT OF THE 7.625% BOND DUE 2020

Further to our previous communication of August 31, 2017, TV Azteca has announced that they will be executing a full principal prepayment on its 2020 bond on October 30, 2017.

WHAT IS THE PREPAYMENT?

On September 27, 2017, TV Azteca announced that it will pay, in advance, approximately US\$165 million of the US\$500 million issue at a call price of \$103.8125. For holders of the bond, this payment will represent the final principal repayment as the company, on September 18, prepaid 67% of the outstanding principal. The prepayment will be funded from a 5 year security placed on September 26.

WHO DOES THE PREPAYMENT AFFECT?

Only the holders of the 7.625% 2020 issue will be impacted.

PREPAYMENT DETAILS

The principal prepayment factor is 0.33 which

equates to holders receiving the remaining 33% of their principal or approximately \$330.00 for every \$1000.00 face value held. Therefore all bond holders will receive US\$103.8125 for each unit of bond they have remaining as at October 30, 2017. The 2017 bond typically pays coupons on March 18 and September 18 of each year. Since the prepayment will be calculated as of October 30, which is not a coupon payment date, the remaining 33% of face value and accrued coupons will be paid on October 30, 2017 .

This final prepayment follows the complete prepayment of the company's 2018 bond that was completed on August 21st and the partial prepayment on the 2020 bond that was completed on September 18th. These prepayments are a result of the company's efforts to improve the maturity profile of its debt.

IN SUMMARY

We maintain our SELL recommendation and continue to stress the high risk associated with TV Azteca.

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