

The AzA Gazette



The Azteca America Monthly Newsletter for Clients, Friends and Associates

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Events & Features

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The Time is Now!

At Azteca America, we are all excited about our third national upfront presentation, taking place this May 16 at the American Museum of Natural History in New York. As always we have thrilling news to tell you as you become part of our success. The theme for this year's event is: "**The Time is Now**".

And why is it? Because now we are a true network, with over 70% Nielsen coverage, **The Time is Now** to produce more live and exclusive programming. **The Time is Now** to get your best advertising value from your network buy. **The Time is Now** for all of us to focus on the future. And finally, it's Time for you to witness our commitment to make it all happen.

Thanks to an enthusiastic, at times an overly passionate team, and a truly exceptional group of affiliates, we have laid the foundation for the long-term growth that we have committed ourselves to.

Yes, building out a network has meant knocking on a lot of doors and finding the right people and coming



back with even more persistence. There was never any doubt that we had a great product, the key was building out our footprint so that potential viewers hungry for Azteca programming would be satisfied and able to see our product.

In our first upfront, in 2003, we came to you with a 30% Nielsen coverage. By May 2004, we offered 50%. Today, with affiliates in 39 markets and cable coverage in more than 30 of them plus national satellite coverage –and the top 20 markets with local satellite– we are able to present our new footprint with a 70% Nielsen coverage.

70% Nielsen coverage is easier said than done, especially if you are building a network from scratch and don't have a few billion dollars to throw around.

We are the second largest Spanish-language television producer in the world. Our technological platform allows us to produce, fast and efficiently, what audiences want and in the format that advertiser's need.

We are the only Hispanic television network that can take pride in being fully vertically integrated, and we will show you how everybody can take advantage of that.

We have a very large group of talented people across the borders that are producing a total of 9,000 hours of Spanish language programming every year, including over 1,000 hours of exclusive programming for Azteca America.

All the people that work at AzA are grateful to you: our clients, our audience, our affiliates and all of our supporters, for without you Azteca America would only be a beautiful dream, a dream of breaking abso-lute market dominance to bring a third voice to the Hispanic television industry. Thanks to you, we have become a truly Hispanic voice that resounds, Nationwide, in the beautiful sound of our Mother-tongue.

Gracias!

Luis J. Echarte
President and CEO

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Station Spotlight: Our Network

At first glance, our network hasn't changed too much since last year's upfront. In May of last year, we announced five new stations to a total of 38 markets that represented 77% coverage. Today we can talk about 39 stations that have a similar over-the-air clearance.

However, when we look further we see some big changes. Our 38 mar-

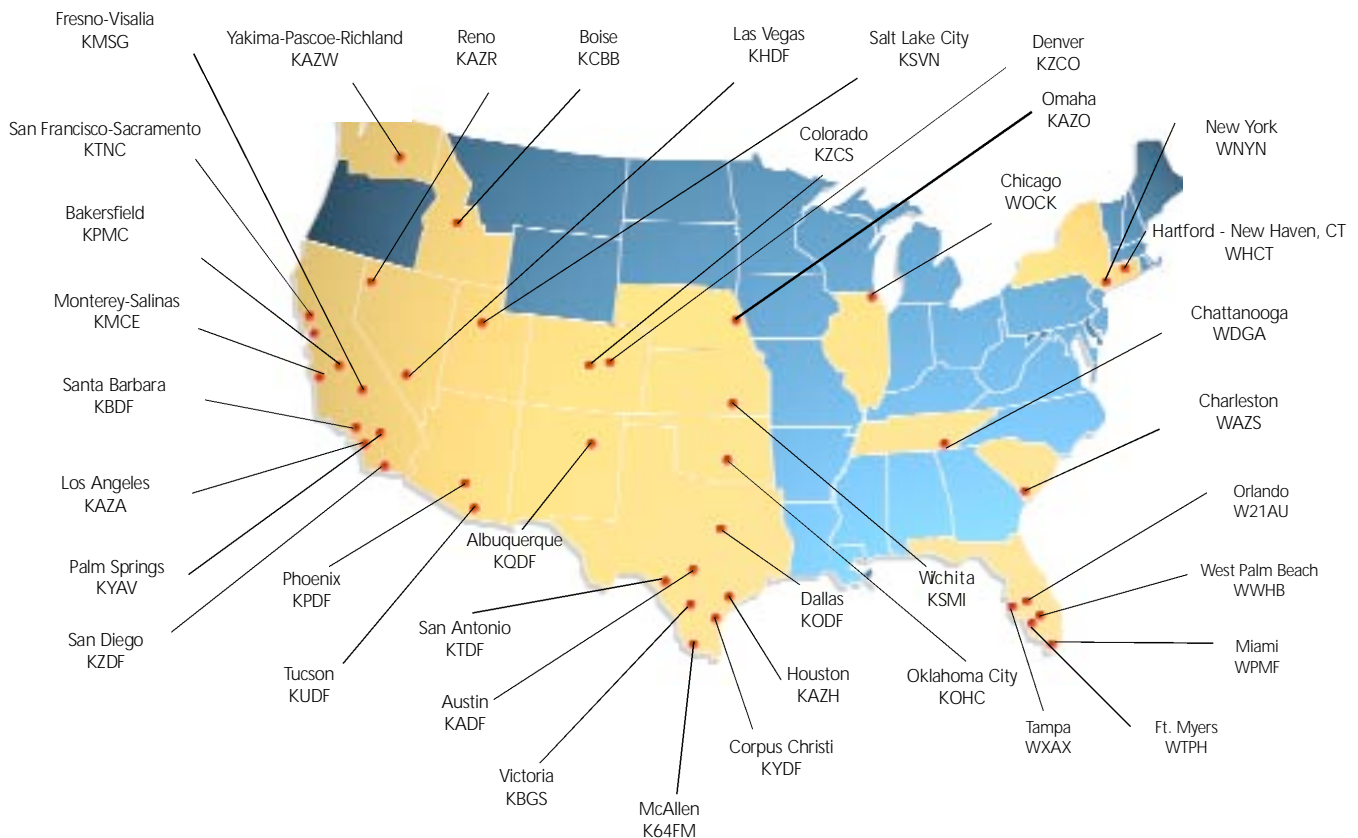
kets were measured by Nielsen as representing about 50% coverage back then, with a heavy penalty for lacking cable coverage in some key markets.

Since then, our affiliates have been quite busy signing new cable carriage agreements. In June, *Una Vez Más* announced agreements with Cox Cable in San Diego, Tucson and Phoenix, while TVC signed DirecTV for Chicago. Fresno and Orlando continued with DirecTV coverage and New York announced Time Warner coverage in August. By September, Bakersfield was on DirecTV and Monterey was on Charter Cable.

Then starting in December came the Comcast agreements. First it was Miami, Dallas, Albuquerque and Fresno. By March, Comcast added Denver and Colorado Springs, and then Dallas and Austin in April. Also in April we announced a network agreement with Echostar's Dish Latino service. As of this month Chicago is also carried on Comcast.

In all, 19 agreements in 12 months or an average of over 3 new agreements every two months were signed. The results make us bona fide member of the Network Club, with Nielsen coverage of over 70%.

Coverage: 77%



* Note: KTNC-TV 42 covers the San Francisco and Sacramento DMA's / Source: Nielsen Universe Estimates, 2005, Hispanic households.

Upfront Programming Jorge Jaidar

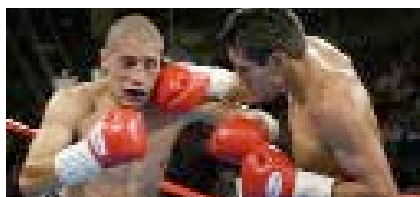
The **Time is Now** for Azteca America: we are now a full-coverage network with growing numbers every week. Our **Time is Now** for more live programming because live is excitement.

Live sports: With four teams in the current season playoffs -- including the first, second and fourth-ranked teams-, we are certain to have superior soccer coverage this month.



I am also looking for our eight teams to build on their success for the next season beginning in July. Nothing compares to Mexican League Soccer to reach 18-49 males every week.

This season we'll also have the greatest Mexican fighter of all times, Julio César Chávez narrate a namesake boxing show with top fighters like *El Travieso* Arce, *El Terrible* Morales and his own flesh and blood, Julio César Chávez Jr.



Building on our leading position with *La Academia*, we look forward to producing later this year *La Academia USA*. We'll do simultaneous casting in four cities throughout the country, where we expect thousands of participants. From there we will select 16 contestants, and the rest is ... Academic.



As for live entertainment programs, we'll continue with the perennial favorite *Ventaneando* with Pati Chapoy live weekday evenings with the latest showbiz news and gossip. Pati is accompanied by the stellar team of Aurora Valle, Mónica Garza, Atala Sarmiento, Daniel Bisogno and Pedro Sola.

Also in entertainment programming, we have this coming season Billboard Latino, a co-branding effort with Billboard Magazine and 13th Floor. Here you'll find all the latest Latino music news, featuring top musical guests and the famous Billboard charts.

Aside from live television, we can also bring your brand in direct contact with audiences through live events. This fall we have another historic soccer rematch. At Soldiers' Field, we will feature Zague, one of the top Mexican strikers of all times against Hristo Stoichkov, the Bulgarian striker that eliminated Mexico from the US FIFA World Cup. Zague will be accompanied by his

Mexican national team, while Stoichkov will be with his historic Dream Team Barcelona squad. Also this summer we have an exciting music event in Dodger Stadium featuring Alicia Villareal, Kumbia Kings, Pablo Montero, Rogelio Martínez and the fourth Generation of *La Academia* in its US debut.

Despite the phenomenal success we have had this year with sports, realities and *Ventaneando*, our bread and butter product is and will continue to be novelas. We have unmatched production experience and will continue this upcoming season with *Los Sánchez*, a fresh comic take on the novela with Luis Felipe Tovar, Martha Cristiana and Mariana Castro. Also coming this season is *La Otra Mitad del Sol*, a more traditional love story with Anette Michel, Demián Bichir and Ari Telch and *Top Models: Amor, Moda y Rock & Roll* with Mariana Ochoa in one of her freshest roles to date.



Our basic programming mix continues to be a tried and true formula: steamy novelas, lots of live soccer, the best in celebrity gossip and better reality shows. But we're also producing four daily newscasts: AM, Noticiero Azteca America, Noticiero Azteca America Última Edición, and Hechos from Mexico City.

More real time is more excitement, especially when it comes to soccer and reality shows. But generally speaking, production capacity of 9,000 hours per year, including 1,000 hours of specific programming for the US gives you a world of options. And talent, flexibility and growth mean more value for you.

Upfront Sales *Carlos de la* *Garza*



Since last year's upfront, we've made some great strides. First, we are much further ahead with distribution. Azteca America now has stations in 39 markets across the country. We're carried on Comcast, Time Warner, Charter, and DirecTV in major markets, not to mention EchoStar's Dish Latino DTH service nationwide.



There's a fourth major player in the Spanish-language broadcast television market and it's called Azteca America.

Now, over 70% of US Hispanics can see our programming, bringing us official network status with Nielsen. This means that our ratings will be appearing in the NHTI books with Univision, Telemundo, and Tele-

futura. All of the resources available to them are now available to us.

But success in the past year doesn't stop with distribution. Our prime-time programming is also doing very well. Azteca America's blockbuster celebrity news show *Ventaneando* has seen incredible growth over the last year, with key young person demos up 50 to 100% from last year. And that's not all, compared with similar Univision and Telemundo shows *El Gordo y La Flaca* and *Cotorreando*, *Ventaneando* viewers are more likely to be age 25-34, have kids, be employed, and work in a white collar profession.

Our blockbuster reality show *La Academia* is also a huge success. Now in its fourth season, young people and women demos have doubled and nearly tripled year to year. Recently, *La Academia* beat both Telemundo's *Nuevas Voces de América* and Telefutura's *Objetivo Fama* in key young demos. *La Academia*'s women 18-34 audience was larger than *Nuevas Voces* and *Objetivo Fama*'s audiences combined!

And speaking of competition, *Liga Mexicana de soccer* on Azteca America is proving to be a winner as well.

Not only do we broadcast more games than any other network, we broadcast more than Univision and Telefutura combined. In addition, AzA is the source of 20% of all Mexican Soccer League viewing in the U.S.

Our soccer audience also has an impressive profile. Compared with Univision and Telefutura *Liga Mexicana* viewers, our audience are

more likely to be ages 25-54, have an income of over \$60,000, have some college education, and are more likely to be employed.

If you're not buying soccer on Azteca America, you're missing as many as 1.5 million attractive viewers. We know that many viewers watch Azteca and other Spanish-language networks ... but over half a million watch exclusively Azteca for soccer.

The same is true in prime. Almost half a million viewers watch prime on Azteca America but not Telemundo, and almost 100,000 watch Azteca but not Univision.

What does our exclusive audience mean for you? It means you can extend your reach without spending extra money. Here's an example:

A major advertiser invests about 715,000 dollars in a Spanish-language television buy that does not include Azteca America. That buy has a reach of 26,660,000 people 18 to 49.

Let's say you take 15% of that 715,000 away from other networks and invest it in Azteca America. That buy reaches an additional 5 million people 18 to 49. In other words, by adding Azteca America to a buy, you'll increase your reach 17% without spending an extra dime.

Impressive, right? Now look at this. The buy that did not include Azteca America has a cost per thousand of \$26.80. The buy with Azteca America has a CPM of \$22.96. So in addition to increasing your reach, adding Azteca to a buy increases its efficiency.

Azteca America With First, Second, Fourth and Sixth-Seeded Teams in Playoffs

With the Mexican Soccer League playoffs in full swing, Azteca America has captured key positioning. Aside from entering the playoffs with the top-ranked teams Monarcas Morelia (1), Cruz Azul (2), Tecos (4) and Santos (6), Azteca America's lowest-ranked team Santos boasted the season's goal leader Matías Vuoso, who stacked up 15 goals during the regular season, three more than his America and Chivas counterparts, who ended the season with 12.

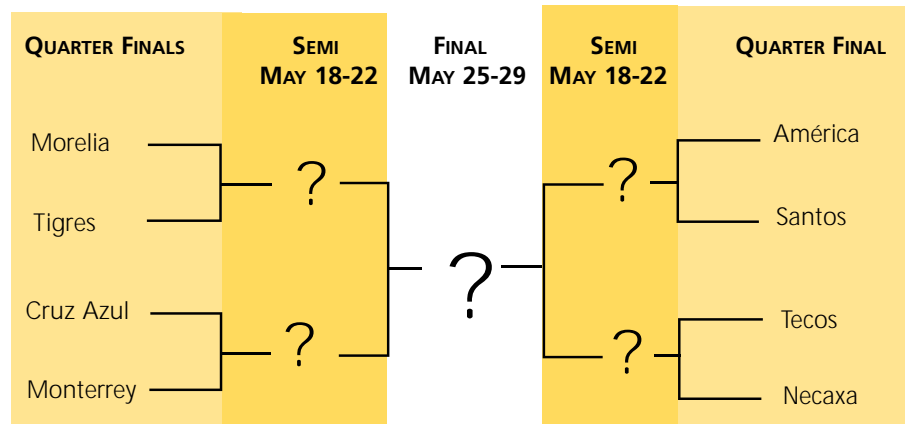
The other four teams that advanced to the post-season liguilla are América, Necaxa, Rayados and Tigres. At the time of publishing, it was still premature to determine semi-final and final teams.

However, the second round involves a reclassification of teams where the strongest team from the regular season standings plays the weakest team in regular season standings, and the second-strongest goes against the second weakest.

Exact dates for the semi-final will depend on which teams advance. For the semi, the outgoing match of the two-game series will be either May 18 or 19 and the return match either May 21 or May 22. For the two-match final, the outgoing match will be either May 25 or

May 26 and the return match May 28 or May 29.

According to our sports specialist José Ramón Fernández, Cruz Azul is the favorite entering the liguilla as long as it reestablishes the level of play of recent weeks. However, he cautions against the possibility of América making a surge during the playoffs, with its seasoned coaching staff and striker Cuauhtémoc Blanco, who can be very explosive when he wants to be. Fernández also lauds Tecos for their strong defense and mid-fielders and forwards.



Names & Faces

Our Sales Team

We have traditionally reserved this space for photos and bios of people in key areas at Azteca America. However, due to the growth of our sales team, we are limited to this diagram. Success does have its price.



ADVERTISING OPPORTUNITIES

SCORE A GOAL IN THE PLAYOFFS WITH MEXICAN SOCCER LEAGUE VIRTUAL PLACEMENT!!

Liga Mexicana de Fútbol is without a doubt the place for your brands to shine with soccer fans, and why not right on the field, where the action takes place!



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The Time is Now for Post-Season
"Liguilla" Soccer and at Azteca America,
We've Got #1, #2 and #4



Exclusive and Live Broadcasts of Leading Post-Season
Matches of Mexican Soccer League



[Source: N.H.S.I. Avg. Rating TOT 18-49
from February 27 to May 1st 2005 L.A.]

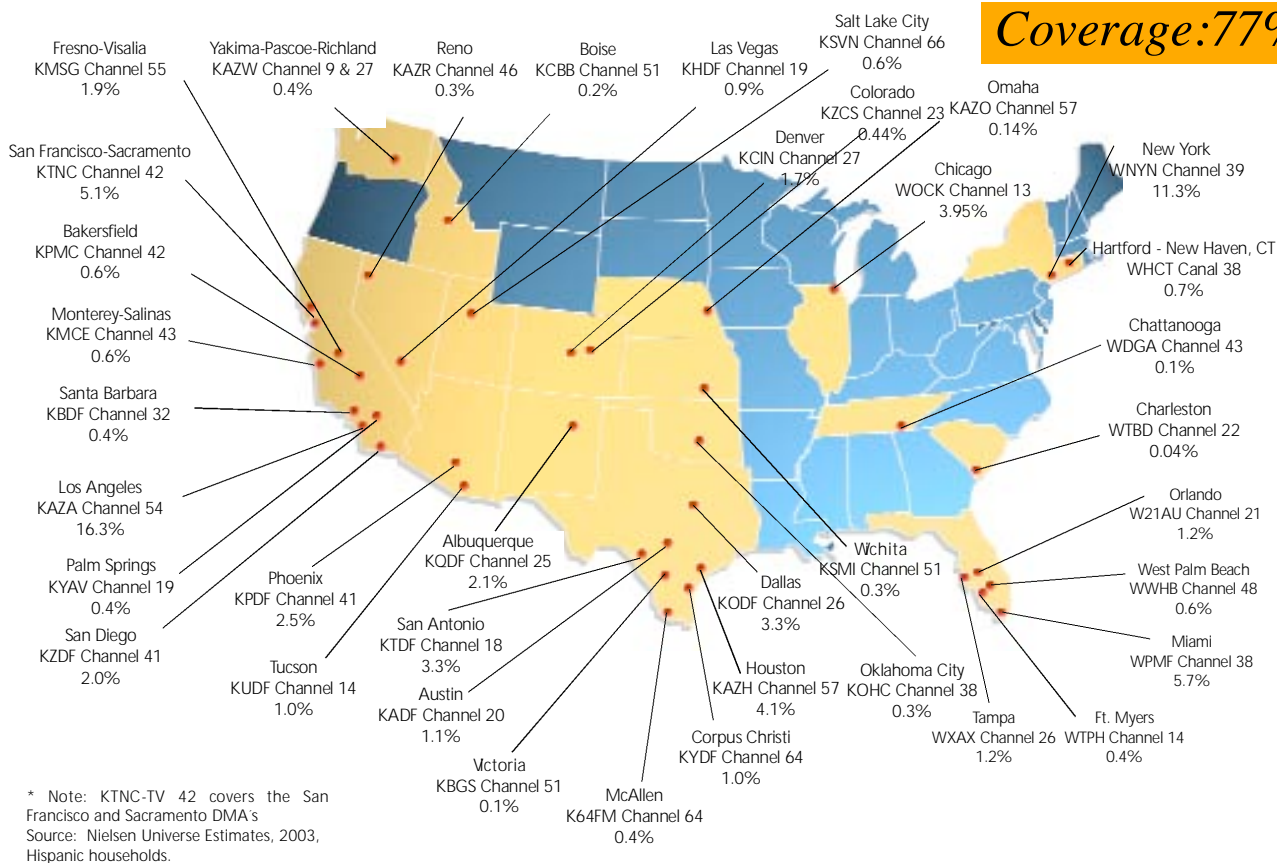
La academia
AZTECA

La Academia Continues to Grow


AZTECA AMERICA
Network



The Fastest Growing Hispanic Network in the U.S.



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About TV Azteca

TV Azteca, listed on the Mexican Bolsa, the New York Stock Exchange and Spain's Latibex, is the second largest producer of Spanish-language programming in the world, and one of two nationwide broadcasters in Mexico.

Today TV Azteca broadcasts four networks: the family-driven Azteca 13, with 278 signals in Mexico; the youth-focused Azteca 7, with 270 signals in Mexico; Azteca Internacional for 13 countries in Central and South America; and Azteca America the fastest growing network in the U.S.

This document does not constitute, nor shall it be construed under any circumstances, as an offer to sell or as a solicitation of an offer to buy Azteca America Network's signal, programming or any of its parts thereof.