

# The AzA Gazette



*The Azteca America Monthly Newsletter for Clients, Friends and Associates*

*January 2003*

## Events & Features

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- *La Duda* Telenovela Debut this Month p.3

## Winter Soccer Season Opens

Mexican soccer is back after a three-week year-end break that followed the finals of the Liguilla championship tournament.

The season opening games were a total of 10 during the second weekend of January, four of which were aired by Azteca America (see table p.4).

Azteca's-own Morelia finished the prior season as runner up to champion Toluca. Although Morelia won the first match of the two-game final, the advantage was not enough to overcome a subsequent loss.

Azteca America transmitted the first match of the final from Morelia's home turf. On the whole, 84 matches were transmitted by Azteca America during the season tournament, more matches than any other US network. (cont'd p. 4)



## The Year Ahead

Dear AzA Gazette Reader:

We at Azteca America look forward to sharing with you in 2003 the goal of consolidating our position as a national network. We will be specially focused this year on distribution, content and sales.

On the distribution front we will continue to strengthen our position by incorporating new markets and expanding within existing DMAs. Today we are proud to air in 18 markets that reach 53% of the US Hispanic population. However, we plan to grow the figure to 70% by year-end 2003.

In terms of content, we introduced our Hechos America newscast late last year and are pleased with initial audience reception. Building on this success we expect further US-targeted products by mid year. We expect to strengthen US Hispanic angles of existing regular programming, and bring the sets of *Ventaneando* and *Cosas de la Vida* to some US locations for special broadcasts.

On the sales front, we are proud of the team that we have assembled on Madison Avenue (see Phillip Woodie's upfront outlook on page 3) and hope that our extensive visiting of agencies and clients last year will pay off with inroads into the national network advertising market this year.

In this month's issue we are highlighting our station in Reno, a very interesting case of community involvement. We also have results of this year's Juguetón, the Azteca toy drive, as well as details on our hottest new telenovela, *La Duda*, and a recap and outlook on Mexican soccer.

I hope you enjoy the third issue of our Gazette and let's have a great year.

Sincerely,  
Luis J. Echarte  
CEO Azteca America

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## Station Spotlight: KUVR- 68 Reno Nevada

Peter Padilla  
General Manager/Vice President

Promotion and community presence are the pillars of growth for KUVR general manager Peter Padilla. A key element toward these goals is local programming.

"We want our audience to subconsciously take ownership" says Padilla. "One way to do this is to let the local community see itself on the channel. This allows for a strong differentiation from other networks like Univision."

As manger since early 2001, he guided the station's shift from Univision to Azteca America in Nov. 2001.

Aside from airing its own live local newscast daily, KUVR also produces weekly sports and business news shows as well as a twice-weekly general news magazine show.

However, KUVR's most successful local initiative is *Línea de Ayuda*, a community service call-in show with commercial interests. The initial sponsor was Wells Fargo Bank. The call-in is hosted by a panel of bank executives who inform immigrants on how to receive consular IDs, open savings and checking accounts, transfer money to Mexico, and apply for loans. Such services are of second nature to US citizens, but often out-of-mind for newly-arrived immigrants. The program was recently expanded to the local Truckee Meadows Community College, where viewers learned about free Spanish and English classes as well as degree-earning programs.

As for network programming, Padilla says the Hechos America broadcast is particularly well received by viewers and that both local and national news

is a powerful combination to attract advertisers, especially since some clients have earmarked budgets for news programs.

Also high on the list is La Academia II, which seems to be gaining a stronger following in the US thanks to the LA contestant Rosalia (see page 4 for more). Nevertheless, Padilla said Reno's Hispanics still identify more with hometown regions than with Hispanics as a group within the United States.

He estimates the Hispanic population of greater Reno to be about 90,000 strong, almost twice the "official" estimate. The undercounting is due to the high number of undocumented residents, which likewise makes viewers reluctant to participate in ratings surveys.

Padilla says his best measure of viewer tastes is direct feedback.

"They usually call to complain if there is something on the air that they don't like."

Aside from local programming, Peter says that Reno residents are also very enthusiastic about events.

"The Mexican community loves Hispanic-themed events", he says.

Public events are often concerts, but have included casino promotions and *5 de Mayo* celebrations, always with the mandate that they turn a profit.

This year KUVR also sponsored its first food and toy drive, which collected about 500 pounds of food and 250 new toys. Even here Padilla was able to make the event profitable by offering sponsors the draw of increased foot traffic as well as goodwill from the event.

Community involvement is one of the factors for Peter's election to the Advisory Council of the Institute for Mexicans Abroad, a group of 100 prominent US residents throughout the United States that will help the Mexican government formulate foreign policy for Mexican communities in the United States.

## Juguetón Toy Drive Reaches Record Level



Azteca's Juguetón toy drive exceeded targets in both Mexico and Las Vegas with over 4 million toys delivered to smiling children.

Thanks to Supermercados del Pueblo, and their *Navidad en el Pueblo* campaign, Azteca America was able to participate in a toy drive that collected 20,000 toys, which despite a rainy afternoon were distributed to 10,000 children.

The Dec. 21 event was hosted by Supermercados del Pueblo founder Araceli Paredes, as well as Jorge Garralda, who has organized the Juguetón in Mexico for the last eight years.

The distribution was highlighted with live music from the *Pretendientes del Norte*, nortena group, which kept both the older and younger participants dancing throughout the afternoon.

The total goal for the Juguetón in Mexico and the United States was 3 million toys, a figure that was surpassed by 34%.

## Upfront Update

By Phillip Woodie

President of Sales and Marketing



We officially opened our New York sales office in August of 2002 to represent Azteca America Network and its affiliates signed since then to advertising agencies and their clients. We are lucky to have people like Court Stroud and Gladys Ruiz join the team who bring a wealth of knowledge and experience about Spanish language media.

Over the last four months, our New York and Mexico City executives have traveled from coast to coast meeting with agencies and clients. The response has been great. Azteca's brand and style of programming are welcomed alternatives. Especially embraced were Azteca's unique style of marketing and creative advertising platforms like product integration, "virtual half time", entitlements and sponsorships.

What differentiates us most from our competitors is the fact that we own and control 100% of our programming. This gives us tremendous latitude to do things our competitors simply cannot or will not do!

Now that we have made the "rounds" and people know and understand what we do and represent, our focus turns to representing affiliates and preparing for the network upfront 2003-04.

We are currently in the planning stages and hope to announce our first upfront event here in New York soon. In the meantime, we are hit-

ting the road to visit agencies and clients for the next four months. Our goal is to act as missionaries to grow the overall Hispanic marketplace and educate people about the unique opportunities Azteca America offers advertisers and agencies.

To help fulfill our goals, we are looking to open an office in Los Angeles and Detroit early in 2003.

We are very lucky to have an outstanding affiliate body with experienced and talented professionals who have love and passion for broadcasting and an uncompromising desire to make Azteca America a huge success. As we host our first affiliate meeting in Mexico City February 6th and 7th we look forward to the fellowship and sharing of ideas with all of you.

We have a great product, an established brand and determined and focused leadership. Azteca America is poised for success. Join us on this exciting journey.

## La Duda Telenovela Debuts this Month

Azteca America hopes the Mexico success of its *La Duda* telenovela will cross borders to US Hispanic audiences following the show's Jan. 13 debut.

The spicy love tale is centered on the forbidden romance between members of rival families. Described by some as a modern



Mexican Romeo and Juliet, the series features actress Silvia Navarro, who made a strong impact with audiences as Paloma in *Cuando Seas Mía*, one of Azteca's most popular novelas of recent times.

In *La Duda*, Navarro plays the part of María Isabel, who works in the family's silver shop that she hopes to convert some day into an upscale jewelry store. The series also features silver-screen stars María Rojo and Diego Luna who co-starred in Oscar-nominee *Y Tú Mamá También*.

Shot on location in the states of Guerrero and Hidalgo, the series offers an updated look at old-world Mexico as the story unfolds a longstanding feud between the two silver-mining families.

Watch for *La Duda* weekdays at 7 PM on Azteca America



## Names & Faces *Our Affiliations Team*

Luis Mariano Cortés has been building things for almost all of his professional life. He first started with roads and dams at a Mexican construction firm. At TV Azteca since 1997, he has built everything from financial models and strategies, to ties with banks. His current task is to continue constructing a network of affiliates for Azteca America. Responsible for the

signing of eight of our current nine affiliate groups over the last year and a half, frequent flyer miles are not something that Mariano is currently lacking as he travels throughout the United States looking for more business partners.



Mariano's right-hand man is Omar Ávila. He joined Azteca four years ago as part of the support team for Azteca's administrative director before joining Mariano with finances and bank relations. Today Omar provides analytical support and a stable back office when Mariano is on his frequent road trips.

## *La Academia II Builds Audience*

Despite a tough start that was overshadowed by previous alumni success, Azteca's music starmaker reality show *La Academia II* is well on its way to building its own following.



The first *La Academia II* concert of the year boosted ratings 40% in Mexico compared to the previous concert, showing that viewers are becoming more attached to the new generation as they identify with the personalities, abilities and faults of the current generation.

Of the initial 16 contestants, telephone voters eliminated four members in December and early January. Another contestant left voluntarily after recognizing that the pressure of possible stardom kept her from curing herself of bulimia. In her place is 18-year-old Andrea.

Among the current favorites to win the final are: Erika, Freddi and LA resident Rosalía. The new generation still has large shoes to fill given that initial run of *La Academia* broke ratings records for Azteca as well as launching professional entertainment careers. The winner of last season's competition, Myriam, has already released a solo album. And José Antonio and Yahir have been casted for upcoming telenovela *Enamórate*. Meanwhile, the rest of the original cast is working on album releases as well as a planned US concert tour.

*(continued from page 1)*

TV Azteca has rights to broadcast the home matches of eight of Mexico's 20 First Division professional teams. The broadcast rights for the other 12 teams are scattered among Telemundo, Univisión and Telefutera.

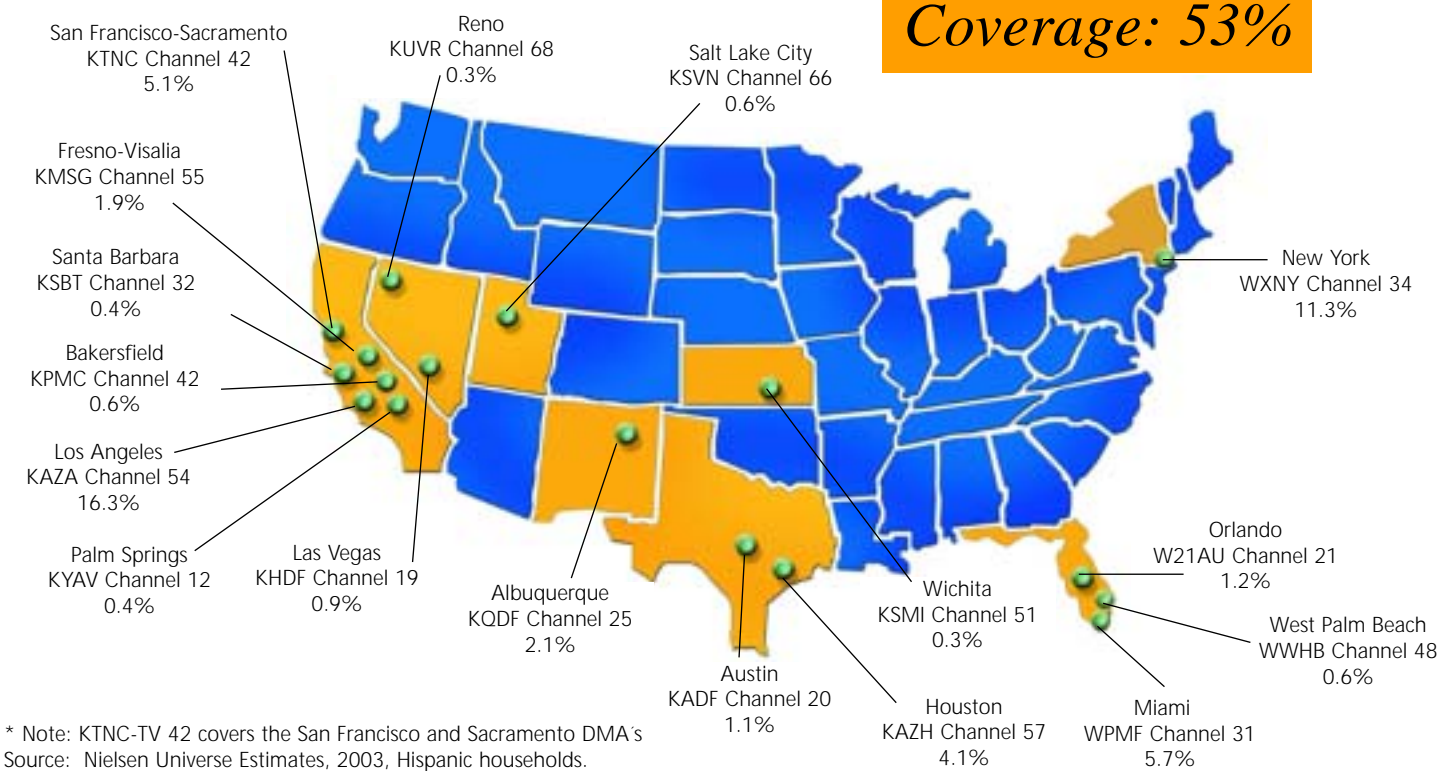
Mexican soccer remains the most effective way to reach male Hispanic viewers. While the gender breakdown for telenovelas is about 80% female, soccer matches traditionally turn the tables to 80% male audiences.

A Breakdown of Week 1 results

Veracruz	1 - 2	Morelia
Chiapas	0 - 3	U. de N. León
Querétaro	1 - 1	San Luis Potosí
Monterrey	1 - 1	Atlante
Puebla	1 - 2	Guadalajara
América	1 - 2	Pachuca
Cuernavaca	3 - 1	UNAM
Toluca	0 - 3	Necaxa
Atlas	0 - 3	Santos
Cruz Azul	0 - 0	UA de G.

Exclusive Broadcast Rights AZA

## *The Fastest Growing Hispanic Network in the U.S.*



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## *About TV Azteca*

TV Azteca, listed on both the Mexican Bolsa and the New York Stock Exchange, 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 International 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.