

The AzA Gazette



The Azteca America Monthly Newsletter for Clients, Friends and Associates

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Events & Features

• Mexican Soccer League Playoffs Begin

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Azteca America Celebrates First Upfront in NYC

"An overwhelming success," is the best description of Azteca America's first Upfront participation in New York City. The event was highlighted with words from TV Azteca Chairman Ricardo B. Salinas, who stressed the importance of breaking the existing Hispanic television monopoly.

The event was attended by more than 300 advertising executives, representing clients and agencies, as well as the top officers of Azteca America and its parent company, TV Azteca. Presentations by our artistic talent included introductions and videos of key Azteca America programming, including the genres of variety shows, news, novelas, reality shows and sports coverage, with special mentions of the outstanding careers of *Ventaneando* host Pati Chapoy, our *Hechos* anchor Javier Alatorre, and our sports director José Ramón Fernández.

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The Greatest of All Experiences!

It was a pleasure and a great honor to host our first upfront event in New York City. For TV Azteca, this has been a great part of an ongoing ten-year anniversary celebration. And for the Azteca America team, it was the greatest of all experiences. Our first Upfront was a fantastic opportunity to show the advertising community who we are, and what we mean when we say 'lets do business!'

On May 13 we were able to show our way of doing television. Our Chairman, Ricardo B. Salinas, provided a vivid demonstration of how we at Azteca America live and breath Hispanic culture, 'de arriba a abajo.'

Mr. Salinas clearly expressed how we intend to conquer the heart of the Hispanic community, and break the existing television monopoly, for good. We will all benefit from more options, since it will in the end attract more audience. Young, affluent and educated Hispanics are being attracted to more intelligent, creative and realistic television in their language, and more importantly, television that truly reflects and understands their values.

We offer television that Hispanics can be proud of, and one that can bring valuable brands to the most thrilling of all consumer segments.

For all who were with us at our Upfront, our thanks. And for the many who have only recently decided to embark on this journey with us, Welcome!

Kindest Regards,

Luis J. Echarte
President and CEO
of Azteca America

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New Programming Grid Yields Results

Azteca America's new programming grid has been a early success. Launched in May, the grid includes over 10 hours of live programming and features the time-tested formats of entertainment shows, newscasts, novelas, sports coverage and reality shows.

Following is a brief summary of programming formats and programming:

ENTERTAINMENT



Variety shows offer upbeat live entertainment and laughs. *Ventaneando*, hosted by Pati Chapoy, Pedro Sola, Mónica Garza, Daniel Bisogno and Aurora Valle, is a funny yet incisive look at Latin America's top celebrities. Other popular shows in this genre include *Con sello de mujer*, which focuses on topics of interest to Hispanic women; *Tempranito*, a weekend magazine show; and *Cada Mañana*, a refreshing daily morning show that gets you off to a great start. *Sexos en Guerra*

is a battle of the sexes game show that is both fun and sexy.

Also watch for Azteca America's upcoming comedy line-up.

NOVELAS

We offer more modern and urban versions of novelas. This season watch for *Enamórate*, which leverages the unprecedented popularity of Yahir, a finalist in Azteca's musical reality show *La Academia*. The story is based on the conflict between following your heart or living up to family expectations. Also coming this season is the long-awaited sequel to *Mirada de mujer*. In its initial run, *Mirada de mujer* broke the novela mold and made ratings history. This season, Azteca America will bring back some of the same characters and actors that made the novela such a success with an even spicier story line.

The new shows will fortify the existing novela block, which features *La Duda*, *Como en el Cine*, and *Todo por amor*, as well as our single-episode dramatic series *Lo que llamamos las mujeres*.

SPORTS

To balance audience genders, there is nothing like our top notch sports coverage. With broadcast rights to eight of Mexico's 20 First Division League teams, we offer more soccer than all of our competitors combined.

Aside from outstanding live soccer coverage, our commentary shows, led by veteran José Ramón Fernández are unparalleled. We feature *DeportV* every Sunday. With almost 30 years on the air, the show is the longest-running television program in

Latin America. For daily updates, *Los Protagonistas* offers a unique interview and news format that is both informative and humorous.

NEWS

Hechos America is a newscast that truly represents Hispanics. Anchors José Martín Sámano and Rebeca Sáenz deliver experience and confidence through newscast and special investigations geared to Hispanic audiences. Our news programs are rounded out with our national *Hechos* broadcast, led by Javier Alatorre, the most trusted name in news in Latin America.



We also offer *Hechos AM*, a morning news program that provides all the news you need to start the day. Our news shows are complemented by our community outreach program *A quien corresponda*, hosted by Jorge Garralda.

REALITY SHOWS

Our musical starmaker reality show, *La Academia* has made history in audience acceptance and rating. The show, which follows contestants on their road to musical stardom is now preparing for its third run, and once again will include a casting held in Los Angeles as producers select the initial 16 participants. 🌈



PROGRAMMING SCHEDULE

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	
06:00 AM						La Hora de los chavos	La Hora de los chavos	06:00 AM
:30								:30
07:00 AM	Hechos A.M.					Chato y sus amigos	Chato y sus amigos	07:00 AM
:30								:30
08:00 AM						Bucaneros	Tempranito	08:00 AM
:30								:30
09:00 AM	Cada mañana					Tempranito		09:00 AM
:30								:30
10:00 AM								10:00 AM
:30								:30
11:00 AM								11:00 AM
:30								:30
12:00 PM	Con sello de mujer						TKE	12:00 PM
:30								:30
01:00 PM	A quien corresponda					Te Caché	Te Caché	01:00 PM
:30								:30
02:00 PM	Cuenta Conmigo					Puro Loco	Fútbol Soccer	02:00 PM
:30								:30
03:00 PM	Ellas, inocentes o culpables					A la mexicana		03:00 PM
:30								:30
04:00 PM	Lo que callamos las mujeres					Película Mexicana	Puro Loco	04:00 PM
:30								:30
05:00 PM	Hechos América (from 5 to 5:34 p.m.)						Hit Popular	05:00 PM
:30	Te Caché (From 5:34 to 6:04)					Fútbol Soccer		:30
06:00 PM	Ventaneando (From 6:04 to 7:00 p.m.)						Deportv (Live)	06:00 PM
:30								:30
07:00 PM	La Duda						El Concierto de la Academia "Desafío de Estrellas"	07:00 PM
:30						Fútbol Soccer		:30
08:00 PM	Como en el Cine							:30
:30								:30
09:00 PM	Todo por Amor					Sexos en Guerra		09:00 PM
:30								:30
10:00 PM	Noticiero Hechos (From 10:10 to 11:00 p.m.)						Picoso y sabroso	10:00 PM
:30								:30
11:00 PM	Los Protagonistas en vivo					Con un nudo en la garganta	El ojo del huracán	11:00 PM
:30								:30
12:00 AM	Ventaneando ® (From 12:00 to 12:56)					Fútbol Soccer	Fútbol Soccer	12:00 AM
:30						(R)	(R)	:30
01:00 AM	Hechos América ® (From 12:56 to 1:30 a.m.)							01:00 AM
:30								:30
02:00 AM	A quien corresponda (R)						Puro Loco (R)	02:00 AM
:30								:30
03:00 AM	Fútbol Soccer (R)	Fútbol Soccer (R)	Fútbol Soccer (R)	Te Caché (R-Sábado)	Te Caché (R- Domingo)	Fútbol Soccer (R)	El ojo del huracán (R)	03:00 AM
:30				Puro Loco (R-Sábado)	Puro Loco (R- Domingo)			:30
04:00 AM	Lo que callamos las mujeres (R)					Te Caché (R)	Te Caché (R)	04:00 AM
:30								:30
05:00 AM	Cuenta conmigo (R)					Con un nudo en la garganta (R)	Deportv (R)	05:00 AM
:30								:30
06:00 AM								06:00 AM

- Entertainment
- Novelas
- Sports
- News

The programming grid shown above is for CST
Pacific runs with the same grid except for those Soccer Matches that are transmitted live
Eastern runs one hour ahead

Exploring New Advertising Possibilities

As the producer of its programming, Azteca America is in a unique position to offer powerful and innovative integrated advertising tools. The impact of associating a brand with an existing or new popular program is unprecedented in terms of share of mind and top of mind. And since these products are part of the drama or discussion, they are virtually zap proof.

Integrated advertising offered by Azteca America can be divided into three categories:

1. Mentions, capsules and interviews all have in common the presentation and comments on the product by someone in the program; in a mention the presentation is done by a program host or a guest; the capsule is information about a certain subject where the product comes to use, and the interview is when an expert explains the advantages of its use. All of these tend to be longer than traditional spots.

2. Virtual and electronic ads display the image of the brand for a period of time during a TV program. Electronic ads appear as an overlapping image on the TV screen, while virtual advertising may also become visible in the program as a virtual set. These can be specially used to reinforce an advertising campaign with traditional spots increasing the brand awareness.

3. In casual use of the product, a product or brand is used or pre-

sented in a natural way during the program. This product adds credibility to brands and associates with the host or star that uses or consumes them.

For example, we have filmed special segments of novelas for clients. For example, a scene of our *Enamórate* novela that was done in a McDonald's restaurant, which brought home the concept of the restaurant as a place for attractive youths to congregate, and perhaps bump into a future boyfriend or girlfriend, while enjoying great food.

Another recent case of product integration, was the launch of Unilever's Knax instant soups through our *La Academia* reality show. The soup was always on hand for contestants as they returned to their dorms from long days of classes and practice. Contestants naturally reached for Knax to recoup and satisfy hunger, making a strong association between the brand and the shared dreams of success of the *La Academia* contestants.

Finally, we worked with Spanish automaker Seat in the recent launch of their Ibiza model. The theme for the launch was a Miró-inspired fusion of male and female characteristics. So we provided co-ed uniformed dancers doing routines with the theme on our live variety shows in the two weeks prior to the launch to generate demand. This was combined with periodic electronic and virtual supers throughout the day. Finally the hosts of one of our variety shows presented a covered model in the morning that was filmed from a helicopter and gave periodic updates throughout the day, until the car was finally uncovered by our talent in a dramatic event in the evening.

For more information contact our sales department,
Phillip Woodie, (212) 207-8535,
pwoodie@aztecaamerica.com



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Luis J. Echarte, president and CEO of Azteca America, briefed the audience on the most important milestones of Azteca America's journey to becoming a network. Having become the second-largest producer of Spanish-language content in the world, today TV

Among the programming highlights, Azteca America announced more than ten hours a day of live programming. This goes from variety shows like *Ventaneando*, *Con Sello de Mujer*, and *Tempranito* to soccer matches and sports commentary, and of course newscasts like *Hechos AM*, *Hechos America* and *Hechos*.



Azteca is a top performer in all the genres of Hispanic television, from reality shows to newscasts. With a strong distribution base of affiliates, Azteca America is now positioned to leverage its superior content in the USA.

During the Upfront, Mr. Salinas underlined the fact that Azteca America is the only truly Hispanic television network, "de arriba a abajo." He spoke about the strengths that make Azteca America a highly attractive viewing option. And he said the best way to break the current market conditions is by taking on the competition "head on."

On the programming side, Mario San Román, TV Azteca's, COO presented the programming grid for next season.



Worth highlighting is also a new comedy line-up, the third generation of *La Academia*, and our more modern and urban novelas. Coming soon to Azteca America are the much-anticipated novelas *Enamórate*, featuring *La Academia* finalist Yahir, and the sequel to Azteca's highest-rated novela of all times, *Mirada de Mujer*. Yahir also



gave the audience a sample of his artistic talent during the Upfront event by singing live the title track of his platinum disk, *Alucinado*.

Phillip Woodie, president of sales and marketing of Azteca America, shared some of the exciting demographics of Azteca America viewers, as well as some distribution targets.

Meanwhile, innovative advertising options were presented by Guillermo Alegret, executive vice president of channels at TV Azteca. Mr. Alegret presented a wide array of unique advertising products that take advantage of the fact that Azteca America is the only fully-integrated television company in the US Hispanic market. As the producer, as well as programmer and transmitter of much of its programming, Azteca America can offer a control and responsiveness in the production chain that is unprecedented (see page 4). 📺

Station Spotlight: KAZH Channel 57 Houston

Emilio Nicolás Jr. • Station Manager



As a third generation Hispanic broadcaster, KAZH station manager Emilio Nicolás has a pedigree in the business. His grandfather Raúl Cortez, a native of Veracruz, Mexico, launched the first US Hispanic radio station in 1945. Ten years later he launched KCOR TV, which later became the backbone of Univision. Emilio first began working with his father at age 12, working in production, sales and news.

His interest in news took him to win the Peabody Award for News for his coverage of the Mexico City earthquake in 1985.

Although KAZH is one of the founding stations of Azteca America, it is currently going through a rebirth. Aside from Emilio's February arrival, the station has doubled its transmission power to 5 million watts and relocated its antennae to a more central location last month.

"Now we have a signal that is as good or better than any in town," says Emilio gleefully.

The strong over-the-air signal is supported by cable carriage of the eight major operators in the Houston area.

Emilio is also in the process of moving the station from the current location near NASA headquarters to a more central location.

Although studio space for local production will have to await the new office site, KAZH is already airing six local programs that are taped by local producers. They include the children's program *El Club Infantil del Payaso Tuti*, and *Salvadoreños de Corazón*, a music and interview show aimed at the 120,000-strong Salvadoran population in Houston. KAZH also airs *Ritmo Latino*, an interview format with Latin American entertainment stars, and *Fuerza Musical*, a music video show featuring grupera and regional music. Nevertheless a local newscast will have to wait for the studio, KAZH does have a weekly news program that features special reports by Héctor Martínez, the local correspondent for Azteca's *Fuerza Informativa* news service.

Aside from his Peabody award, Emilio says he always takes a special interest in developing innovative local news formats. And he's not accustomed to having anything but the top rated news show.

"I haven't been so excited since my early days with SIN and Univision," he adds.

Emilio says that agencies report that KAZH is beating Telemundo in several time spots. Successful viewership has kept Emilio's small staff very busy in recent months, as clients are demanding air time, in several cases after switching exclusively from competing networks.

"The cash register is the best measure of ratings," he says. *La Academia*, *Ventaneando* and Azteca's soccer coverage are programming favorites in Houston.

"Most of the population in Houston is from Mexico. However, that's not why Azteca's programming is successful," he adds. "It because its very good programming and made for the diverse audiences that encompass Mexican and all of Latin America." 🌍

Mexican Soccer Championship Quarterfinals and Final on AzA !!!

The playoffs for the Mexican League Championship are well underway with four teams advancing to the quarterfinals.

Azteca's own Monarcas Morelia and the Veracruz Tiburones, of which AzA has broadcast rights, will compete for a berth in the finals. The winner plays against the leader of the U de N. Leon Tigres-Monterrey Rayados match. The road to the quarterfinals included several surprises, such as the Tigres eliminating the last-season champions, the Toluca Diablos Rojos, and Veracruz defeating Atlante in last week's round.

Morelia-Veracruz quarterfinal matches are scheduled for June 4 and June 7, both of which will be transmitted live by Azteca America.

The tournament process also guarantees AzA transmission of the final, since AzA has rights for the home matches of both Morelia and Veracruz.

Good Luck Superlider Monarcas!! Azteca America offers more Mexican soccer than all of its competitors combined.

Names & Faces

Mario San Román

TV Azteca COO

If it sounds like Mario never stops talking about marketing, perhaps it's his background.

He initially worked as a marketing executive in the consumer products BDF, in charge of several leading brands for the region, including the body lotion Nivea.

His first television experience was as a buyer, rather than a producer and seller.

So its no wonder that at TV Azteca, first as VP of Corporate Marketing, then as VP of



Channels, which include Mexico's Canal 7 and Canal 13, as well as Azteca America and the Internet; and finally as COO of TV Azteca as of late last year, Mario has consistently carried his banner of a marketing approach to everything he does.

While selling health care products and television might not at first glance appear to have a lot in common, they are in the end both final consumer products.

And by carefully measuring consumer preferences and tastes, Mario has introduced what he likes to call a marketing approach to television at Azteca. This same flexibility and responsiveness will be key at Azteca America as the company slowly begins to tailor its programming specifically for Hispanic audiences. It is also an approach that clients appreciate and understand. Mario knows that....he's been there.

Rosalía Leaves Desafío de Estrellas

The end of the road appears to have finally come for Rosalía with musical variety shows at TV Azteca. Rosalía was selected as the Hispanic representative of the musical starmaker reality show *La Academia* during its second run. She finished in fifth place in the final concert, held on March, 30 in Mexico City's Auditorio Nacional concert hall.

She also participated in the *La Academia* followup *Desafío de*

Estrellas, which is a duel between the first and second generations of contestants. The first generation continues to be the overwhelming favorite. Following the exit of Rosalía, the sole representatives of the second generation are Erika and Marco.

Desafío de Estrellas is now down to eleven contestants, who are vying to be among the top five finalists.

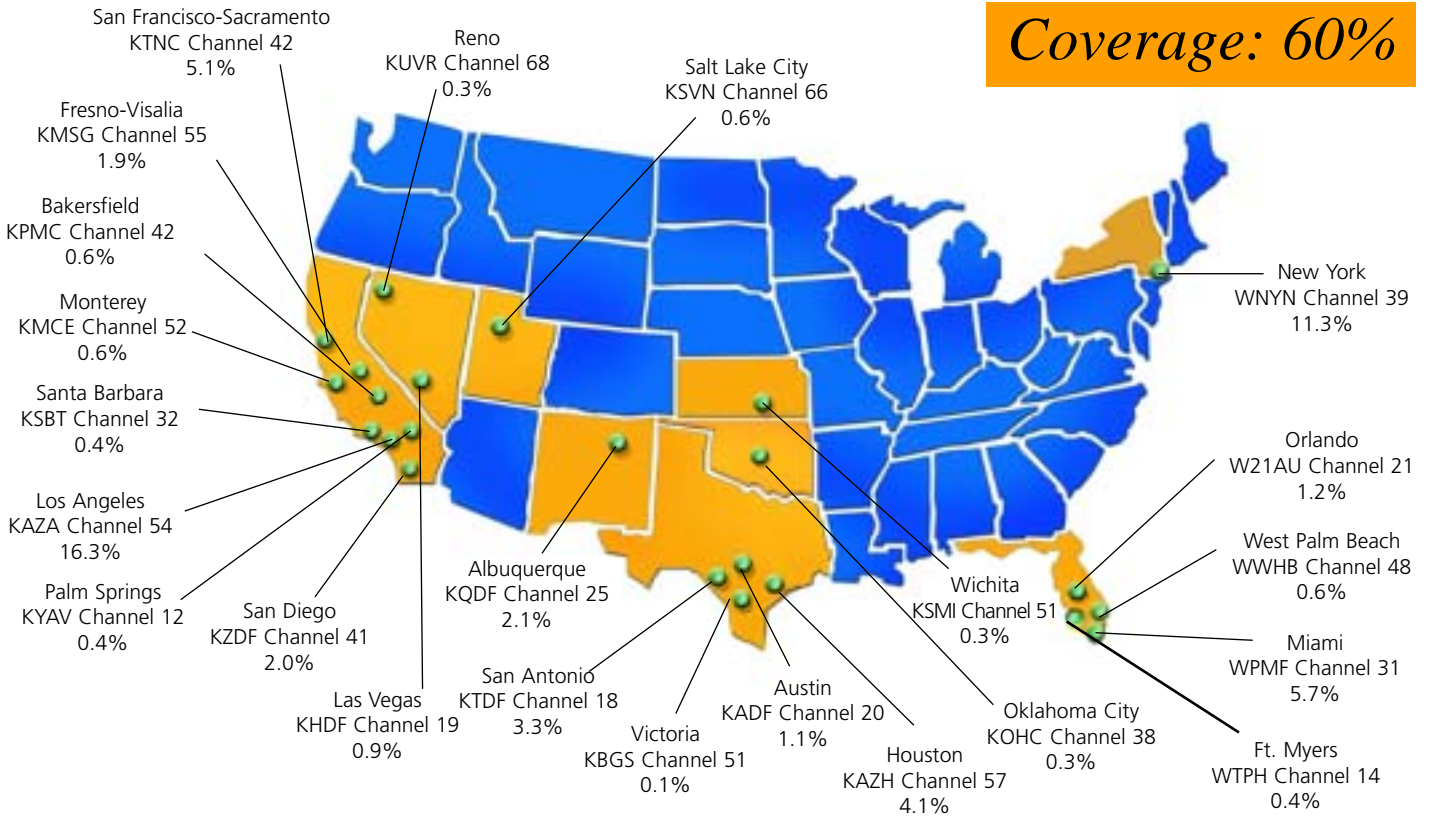
This group of finalists will participate in a gala concert held in Mexico City's Auditorio Nacional and compete for over \$600,000 in prize money, cars and new houses.

Desafío de Estrellas airs every Sunday from 7PM to 11PM CST.



The Fastest Growing Hispanic Network in the U.S.

Coverage: 60%



* Note: KTNC-TV 42 covers the San Francisco and Sacramento DMA's
Source: Nielsen Universe Estimates, 2003, Hispanic households.

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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.

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