

The AzA Gazette



The Azteca America Monthly Newsletter for Clients, Friends and Associates

March 2003

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Azteca America Adds Two Texas Affiliates

Azteca America announced this month the addition of two Texas cities to its network: Victoria and San Antonio. With the addition of these new affiliates, KTDF Channel 18 in San Antonio, and KBGS Channel 51 in Victoria, AzA expands its coverage to 56% of the US Hispanic population.

San Antonio is the seventh largest Hispanic market, with 318,000 Hispanic households, 3.3% of the nation's total. Victoria represents 0.1% of the total Hispanic population –about 10,000 households.

The new affiliates are added to our existing stations in Houston and Austin of the Lone Star State, home to about 20% of the US Hispanic population.

Azteca America currently covers 20 markets, nine of which are in the top 15 Hispanic markets. For our full affiliate footprint, please refer to page 5.

Welcome to Our Newest Lone Star Affiliates!

Every time our network expands coverage is a great occasion for me to thank all the people that have committed to this project. This month, we have announced the addition of two Texas cities to AzA: Victoria and San Antonio. (see accompanying article).

Texas is a remarkable state. It is the second most important in terms of Hispanic population –Texas and California concentrate half of the total Hispanics- and its economy, already one of the largest, is one of the fastest growing in the country. With presence in Austin, Houston, San Antonio and Victoria, Azteca America now covers a large portion of Texas' Hispanic population.

This month as well, our Azteca America Pride Campaign was awarded Best Public Service Announcement at the Latino Marketing Awards. This campaign only reflects how privileged we feel



to serve this community. I want to thank above all, our promotions team led by Jaime Pontones and Adriana de la Puente for the development of this campaign, and our PR agency, Weber Shandwick, for their valuable production support - for more on this, please see page 4.

Other items of interest featured in this issue of our Gazette are an article on our talent factory, CEFAC; and a feature on Álvaro Dávila, director of our Monarcas Morelia team. In our Station Spotlight we are featuring Orlando.

Finally, I would like to take the occasion to greet the National Association of Hispanic Publications, which is celebrating its Annual Convention this week. We will have the honor to participate in this thrilling event.

Please enjoy!

Luis J. Echarte • CEO Azteca America

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Station Spotlight: W21AU Channel 21 Orlando

Jorge Rossi, President and COO



As the only Hispanic television channel in Orlando's Universal Studios Park complex, W21AU gives Azteca America a high-profile presence among big production players, as well as a wealth of set options throughout the Universal grounds. Neighboring tenants include Nickelodeon and The Discovery Channel, aside from production companies that work with Universal Studios.

"Having our offices and studio in Universal gives a very special color to our station," says Jorge Rossi, president and COO of W21AU.

With 55 days on the air, Rossi is now ready to start leveraging some of his infrastructure for local production. Aside from planning a local newscast before the network *Hechos America* broadcast, the station has a program called *Sociales de Orlando*, which will be aired on Saturdays to focus on the social activity of Hispanic groups. Rossi is also considering a locally-produced talk show.

"Univision and Telemundo have never worried about community involvement," said Rossi. "They just showed the national signal and that

was it. Now Orlando becomes an important city with its own (Hispanic) television view."

To better harness local broadcasting opportunities, Rossi has purchased a mobile transmission truck, the first and only of its kind for the Hispanic television market in Orlando.

"There's a lot of (Hispanic) civic and social activity in Orlando that has until now gone unnoticed," he said. Upcoming events include a 5 de Mayo event held in Disney's Epcot Center, and an Independence Day event on September 13 and 14 in Lake Eola, where Azteca America will have a booth to distribute promotional material. Rossi will transmit live spots from both events.

Of the half million Hispanics in Orlando, about 60% are Puerto Rican. Although the Mexican population is only 150,000 strong in Orlando, Rossi is confident of the attractiveness of Azteca programming.

"In New York and Miami, Mexican programming beats other formats 4 to 1," says Rossi. "Mexican programming is not only well received, but preferred."

Rossi is a veteran of US Hispanic television, starting from the ground up as an account executive at Univision precursor Spanish International Network, rising quickly to sales manager for the Pacific region. He later became general manager of Canal 22 in Los Angeles, as an affiliate with Panamericana Television Network and then as an independent station. Later Rossi worked as an independent distributor of television programming.

"I've been in every aspect of Hispanic television for 34 years now, and Azteca is the most aggressive, modern and dynamic programming that I have ever seen. I just hope I can see Azteca America crowned as the number one Hispanic network in the United States before I retire, because it's only a matter of time."

Rosalía Gears Up for La Academia Final

Following weeks of hard work and luck, Rosalía, the LA contestant on Azteca's hit musical starmaker reality show *La Academia* has advanced to the select group of five finalists.

The contestant will vie for over \$400,000 in prize money that will be distributed among the top three finalists. Additionally, cars and record contracts will be awarded for top finishers.

Finalists will have two weeks to prepare for the March 30 concert, which will be held in Mexico City's *Auditorio Nacional*. Like the show's Sunday concerts held on the television compound, winners will be determined through audience telephone voting.

Top finishers from the prior generation of *La Academia* are now enjoying the fruits of success from their first solo recordings. Both first-place finisher Myriam and runner-up Yahir have gone platinum with record sales. Yahir also stars in a successful TV Azteca telenovela *Enamórate*. The first generation of *La Academia* is completing a Mexico tour, which has been assisted by over 200,000 fans, and is planning to extend the run to select US cities soon.

Rosalía will be competing with Freddi, Manuel, Marco and Erika for the title. To help boost morale during the final preparation, nine former contestants were invited back to live the set of *La Academia*.

Good luck to all!(specially Rosalía)

Time Out with Álvaro Dávila

Soccer is a key element to Azteca America's programming grid. And nobody knows the game better than Álvaro Dávila, director of Azteca's Monarcas Morelia first division soccer team and representative to the Mexican Soccer Federation.

With roots as a music promoter, Dávila has given much more of an entertainment focus to the team that Azteca purchased in 1996. Although he recognizes live musical events and soccer may appear quite different at first glance, there are some similarities.

"Coming from an entertainment background, I brought a lot of emphasis on media, sponsorships and infrastructure improvements," he said. "After all they're both stage events to a certain extent."

When Dávila took control of Monarcas Morelia, the team was in last place on the Mexican soccer boards. Nevertheless, in the five years he has headed up the team, hard work has paid off. Morelia won the *Torneo de Apertura*, winter championship for the Mexican league in 2000, as well as reaching the quarter finals in the Mexico-South America *Copa Libertadores* and the finals of the *Torneo de Clausura* league championship last year.

With initially struggling finances, which were further strained as better talent increased payrolls, Dávila teamed up with his boss Gustavo Guzmán to lay out a more aggressive merchandising and marketing strategy. Key elements include selling stadium ads and official Morelia jerseys and

accessories. Dávila and Guzmán, who also heads up sales at TV Azteca, placed more emphasis on youth player development and opened a special training school where promising athletes receive professional coaching as well as support from psychologists and nutrition specialists. Aside from



giving back to the local community, the "Youth Academy," as the school is known, serves to keep payroll costs down by grooming home-grown talent.

A firm believer in benchmarking, Dávila is always on the lookout for innovation. The director and a group of trainers of the Youth Academy recently traveled to Argentina and Spain to experience first hand some of the techniques that make teams from these coun-

tries such powerhouses. Morelia's sports director also just returned from Europe, where he was able to learn and share some of the strategies used by top teams in Germany and Spain, as well as penning several far-reaching exchange programs.

Recognizing the importance of the US Hispanic market, Monarcas Morelia recently signed a four-year agreement with the Chicago Fire that will allow exchanges and at least 10 matches to be played between the two teams over the next two years. Azteca America broadcasts the home games of seven first-division teams, more than any other US network.

TEAM RANKING	
Team	Points*
GUADALAJARA	18
AMÉRICA	17
TIGRES	17
ATLANTE	16
NECAXA	16
MONTERREY	16
SANTOS**	15
TOLUCA	14
MONARCAS**	14
ATLAS	12
UNAM	12
SAN LUIS	12
COLIBRÍES**	11
PACHUCA**	11
VERACRUZ**	11
QUERÉTARO**	10
JAGUARES	8
CRUZ AZUL**	6
PUEBLA	5
U.A. De G.**	2

* Results up to March 10

** Transmission rights owned by AzA

MATCHES AIRED BY AZA				
COLIBRÍES	vs.	SAN LUIS	March 15	Saturday
CRUZ AZUL	vs.	U.N.A.M.	March 15	Saturday
QUERÉTARO	vs.	ATLAS	March 16	Sunday
PACHUCA	vs.	NECAXA	March 16	Sunday
U.A. De G.	vs.	MONARCAS	March 16	Sunday
VERACRUZ	vs.	CRUZ AZUL	March 22	Saturday
MONARCAS	vs.	TIGRES	March 22	Saturday
SANTOS	vs.	SAN LUIS	March 23	Sunday
COLIBRÍES	vs.	SANTOS	March 29	Saturday
CRUZ AZUL	vs.	MONTERREY	March 29	Saturday
PACHUCA	vs.	MONARCAS	March 30	Sunday
U.A. De G.	vs.	VERACRUZ	March 30	Sunday
VERACRUZ	vs.	TIGRES	April 5	Saturday
MONARCAS	vs.	GUADALAJARA	April 5	Saturday
QUERÉTARO	vs.	AMÉRICA	April 6	Sunday
COLIBRÍES	vs.	NECAXA	April 12	Saturday
CRUZ AZUL	vs.	ATLAS	April 12	Saturday
PACHUCA	vs.	VERACRUZ	April 13	Sunday
SANTOS	vs.	ATLANTE	April 13	Sunday
U.A. De G.	vs.	TOLUCA	April 13	Sunday

Names & Faces *Our Operations Team*

Roman Gómez, TV Azteca's director of technological development, has been working in systems since before it was a common corporate term. After graduating from the Instituto Politécnico Nacional in 1975, Román spent time developing IT systems at Mexico's second-largest bank, and then at a consumer products company. He has been with what is today known as Grupo Salinas since before the tel-

evision concession in 1993. First in Radiocel, a two-way radio company, and later Biper, a pager company that is now known as Movil@access. At Azteca he oversaw the development of Azteca's COBS traffic management system and CABS system of central signal blocking for local advertisements.



On the other side of the seniority scale is Adolfo Aldama, who joined Azteca America as IT director in January 2003. Prior to joining Azteca America, Adolfo worked for JP Morgan's Delaware office and also in the IT area of the Mexican stock exchange.

Azteca America Wins Latino Marketing Award



Azteca America was awarded "Best Public Service Announcement" at the 1st Annual Latino Marketing Awards held in Los Angeles on Feb. 27 for its "Estamos Orgullosos de Ti" campaign that was launched last year.

The award was accepted by Azteca America's PR agency Weber Shandwick, which also assisted in production. The campaign concept was developed by AzA's programming area, with

production carried out by Azteca's creative directors Adriana de la Puente and Jaime Pontones.

The campaign focuses on seldomly recognized Hispanic residents, and praises them for their contribution to U.S. society. By identifying a series of "true heroes," the campaign stresses the pride of being Hispanic and living in the United States. Interview subjects for the campaign, known as Azteca America's Pride Campaign in English, ranged from taxi drivers to established Hispanic civic leaders. The interviews were edited into 20 to 30-second spots that began running in August 2002.

Azteca's Acting School Celebrates Sixth Anniversary

TV Azteca's in-house acting school, known as CEFAC, celebrates its sixth anniversary this month. Responsible for launching the careers of Silvia Navarro (La Duda and Cuando

Seas Mía), Gabriela de la Garza (Lo Que Callamos Las Mujeres), and Víctor González (La Duda), CEFAC has a lot to be proud of.

Key to the school's success is a careful selection process and rigorous coursework, according to Raúl Quintanilla, general director and a founding member of CEFAC.

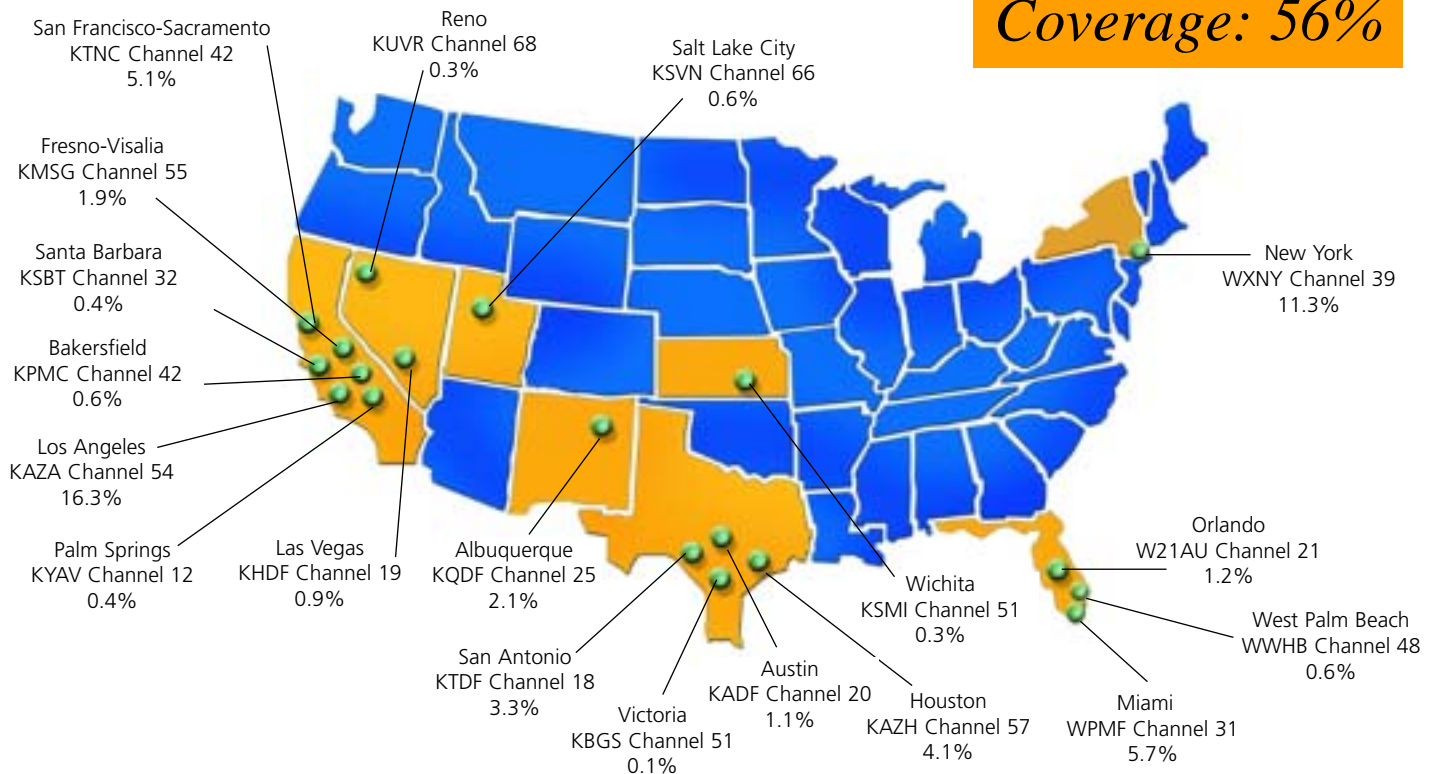
From an initial 4,000 applicants of age 18 to 25, the school selects 40 possible candidates. Following introductory courses, the field is narrowed down to a final 25 students, who are given free tuition for the two and a half years of studies that constitute CEFAC coursework.

Next year CEFAC hopes to expand its program to include a directors school to develop talent and uniform directing styles.



The Fastest Growing Hispanic Network in the U.S.

Coverage: 56%



* 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.