## The AzA Gazette AZTECA AMERICA.



The Azteca America Monthly Newsletter for Clients, Friends and Associates

May 2007 • Number 54 • Year 5

**Events** & Features

#### **UPFRONT SPECIAL EDITION**

New Stations in Houston, Sacramento and **Portland** Strengthen Distribution

As of July 1st, Azteca America welcomes Una Vez Más, Bustos Media and Churchill Media to the key markets of Houston, Sacramento and Portland.

Una Vez Más has been a key part of Azteca America distribution since 2002. With the above-mentioned station in Houston, the company will have 21 Azteca America stations on the air, including 11 in the state of Texas and many more to come.

cont. p.3



#### Dear AzA Friends:

We arrive at our fifth Upfront in our best shape ever: our signal reaches 57 markets where 89% of Hispanics live; we have signed national agreements with three of the largest cable operators in the U.S.; we are producing exclusive AzA shows in Los Angeles and Miami, on top of the best Azteca programming arriving Mexico; we have restructured our sales office in New York, and our non-profit organization, Fundación Azteca America is reaching out to our Hispanic community.

Azteca America continues to be the fastest-growing network in the U.S., bringing the best television entertainment and information to the ever growing Hispanic population, and is working hard to bring support and become a voice for our community.

In this issue of the Gazette, our Special Upfront Edition, we present our most important recent developments. We trust you will find this information interesting and useful. And hopefully our enthusiasm is contagious enough to foment additional interest. Our goal with the AzA Gazette is to take the spirit and energy of thriving Hispanic community to a higher level.

In this issue of the Gazette, we present exciting news about our expanding footprint, programming and lots more, with special contributions from our CEO, Adrian Steckel, our President of Sales and Marketing, Bob Turner, and myself. cont. p.3

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## Station Spotlight:

#### Our Network

With the announcement of our new, stronger affiliates in Houston, Sacramento, in addition to a new station in Portland and cable distribution in Toledo and Tulsa, we are now present in 57 markets across the country and growing. In terms of number of stations we are up 27% from 45 stations this time last year. Meanwhile our geographic coverage has increased from 83% to 89%.

Other highlights include over 1 million new cable homes this year in Washington DC through Comcast, as well as national agreements with Cox and Time Warner, to complement existing national distribution agreements with Dish and Comcast.

Over the past year, McGraw Hill boosted its presence within the network with the addition of Bakersfield, adding it to existing successful operations in Denver and San Diego, where their Azteca America stations are broadcast alongside ABC affiliates.

TVC is picking up its local programming and promotional activities in

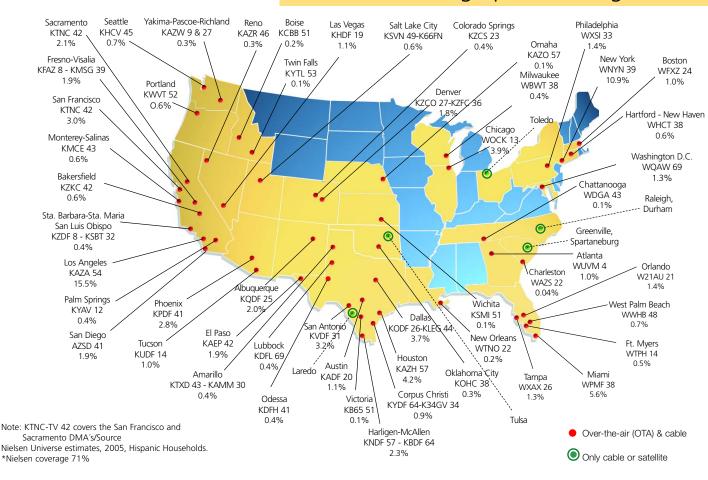
Miami, Chicago and New York; and UVM has launched local newscasts in Dallas that will be soon followed by other markets, as well as picking up a station in Houston, bringing their total to 21 stations, up from 16 this time last year.

Azteca America is stronger today as a network because our affiliates are stronger. Our history is one of shared success, which makes this network different to the rest.

We look forward to further coverage advances during the 2007-2008 season: new markets, new distribution deals, or simply more growth. Stay tuned.

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

#### 57 Markets; Geographic coverage: 89%\*



cont. from p. 1
New Stations in
Houston, Sacramento
and Portland
Strengthen
Distribution

Bustos Media has been with Azteca America since December of last year, when the group went on air in Milwaukee. In Sacramento, Bustos currently operates four FM radio stations, which will offer important cross-promotional synergies.

Churchill Media, our new affiliate in Portland, also has local radio in this city, as well as stations in several other Northwest markets.

#### cont. from p. 1 Luis J. Echarte

Adrian and I are proud to say that the success of Azteca America is the shared success of our executives and employees, some of the best Hispanic professionals in the industry; our advertisers who have trusted us from the beginning; and our dedicated affiliates who share our philosophy and passion to serve the community. We're all in this together for the long haul.

Thank you for your interest in Azteca America,

Luis J. Echarte Chairman

#### Pachuca Heads Into Playoffs As "Super" Leader

Heading into the 2007 Clausura championship of the Mexican Soccer League (FLM), Pachuca is standing heads above the crowd as overall league leader or *superlider*.

Holder of three titles in the past three years (Clausura 2006, Copa Sudamericana, and CONCACAF), Pachuca is establishing a legitimate Mexican soccer dynasty.

Led by soccer legend, Enrique "El Ojitos" Meza, the club finished the regular season in first place with 39 points. Pachuca will be seeking its fifth championship in the team's history.

Another history-drenched team headed for the playoffs is Cruz



Azul. It finished the regular season in fourth place, behind Pachuca, Guadalajara and América. Although the team has had ten years without a title, it has been one of the strongest regular season teams in recent years and is looking to break its spell of weak post-season performance.

Tecos have another berth in the playoffs, thanks to its win over San Luis in the last week of regular season play. Coach Darío Franco can still savor his squad's recent loss of the championship against América and is ready for a rematch.

The above teams will be competing in the playoffs with Club América, Guadalajara and the Tigres, as well as with wildcard berth holders Santos and Atlas.

Given the draw of the first round of the playoffs, Azteca America is guaranteed two teams in the semifinals, which will be played during Upfront week. The Azteca
America
Transformation:
A New Day
Adrian Steckel
CEO



Azteca America is transforming itself on all fronts and you can see it everywhere. We are constantly working to do things better. In my first year as CEO, Azteca America has a lot to be proud of as we embark on a new day for our young network.

Coverage: growing with broadcast and new media: Zero to 57 stations is good. However, more importantly, we are uniquely positioned for the digital future as a content producer with key positioning on top digital systems. We are also actively integrating our product into multi-platforms, including SMS, online, interactive and integrating Azteca America with radio and point-of-sale material.

Programming: the best of Azteca content and more for our community: Azteca America is committed to offer the best original Spanish-language television content in the country, including top novelas, news, sports, talk and reality shows, and much more 24 hours a day, 7 days per week.

The foundation of our programming is the 14,000 hours of content that our parent company TV Azteca produces annually.

With rights for eight of the 18 teams of the Mexican Soccer League (FLM), we have premium positioning with our sports programming, which is further strengthened with our *DeporTV America* sports commentary program.

But our community wants and deserves more, which is why we are tailoring 1,000 hours of original content specifically to the U.S. Hispanic community with production in Los Angeles and Miami.

An example of our programming efforts is our reality show *Suegras*, which represented a multi-million-dollar investment in response to our viewers' increasing appetite for reality shows.

We have a commitment to news given its impact on the daily lives of viewers, especially recently arrived immigrant communities. Our first step was building out our network news operation in LA. Looking ahead, we are working closely with our affiliates to increase and improve local newscasts throughout the country.

The upcoming network season is a new day for programming options. Stay tuned for top boxing reality shows, the return of *La Academia USA*, new musical platforms and comedy and talk shows, all produced in the U.S. Our experience in Mexico has shown that programming is not a science, but rather a dialogue, where we propose, and the audience decides what actually works. But we understand the challenge ahead and are committed to earn our position in the U.S. marketplace.

To this end, our network has also joined forces with third-party producers such as Discovery Networks, with programming agreements for general audience content from *Discovery en Español*, as well as from Discovery Kids, with proven educational content.

The importance of being close to the community: "Television for Hispanics by Hispanics" implies a commitment to our community that we take seriously. We launched our non-profit arm Fundación Azteca America (FAzA) in 2005, and there has been no looking back since. Modeled after our parent company's Fundación Azteca, which has raised over \$40 million in Mexico for important causes, FAzA is a non-profit organization dedicated to improving the quality of life of the Hispanic community here in the U.S. We partner with existing non-profit groups using our most powerful tool, the Azteca America screen, to educate, raise funds, and create awareness of pressing issues for our community.

This year, Fundación Azteca America raised \$630,000 in conjunction with the Laguna San Ignacio Conservation Alliance to protect the gray whale. We proved that Hispanics ARE concerned with the environment. But our primary objective is our human community. This year we will present our Vive Sin Drogas tour to raise awareness of the dangers of narcotics use; our Juguetón program to bring new toys to needy children; dozens of public service announcement campaigns to educate viewers, and partnerships with the Los Angeles County Department of Family Services, Los Angeles Public Library, and Padres Contra el Cáncer. In short, we are focusing our foundation on the most pressing issues in the U.S. Hispanic community.

Azteca America is the fastest-growing network, with the most flexible advertising solutions and a voice for our community. Thank you for being part of this venture and sharing this new day.

## Programming Highlights

#### What Makes Weekends Great on Azteca America

Sure we're proud of the rights to 8 of the 18 teams of the Mexican Soccer League (FLM), giving us the ability to offer more live Mexican matches than all our broadcast competitors combined. But soccer is only part of what makes weekends great at Azteca America.

We also offer entertainment:

#### 25 +

Our fun and incisive entertainment countdown gives you our list of the top 25 celebrities of the moment. Hosted by Inés Gómez Mont with colorful commentary by Rosario Murrieta.



#### MUSIC:

#### **Billboard Latino**

Each week Billboard Latino showcases the Latin music industry's most important charts, artists and news, as well as featuring live performances and interviews with the hottest stars of the day. With correspondents in Los Angeles, New York, Miami and Mexico, Billboard Latino provides an entertaining and comprehensive update of one of the hottest segments of popular music.

#### **SPORTS COMMENTARY:**



#### **DeporTV America**

An hour-long sports program focused on soccer, whether it's the Mexican, European, MLS or Central American league. The result is pure adrenaline, including the best wrap-ups of NBA, NFL, wrestling, golf, tennis, extreme sports, auto racing and more. Airs on Sundays.

And new children's programming:

#### **DISCOVERY KIDS EN ESPAÑOL**

#### **Tutenstein**

Tutenstein is a half-hour, animated series that incorporates real Egyptian content into funny, sometimes scary, adventures as Tut learns life and leadership lessons the hard way.

#### Kenny el Tiburón (Kenny the shark)

Kenny is an animated shark who decides to abandon the sea to investigate life on land, including what's for dinner at the nearest pet shop. Kat, a precocious nine year-old girl, discovers him at the store

and it's love at first sight. Join the fun as Kenny explores and manipulates this animated suburban world and terrestrial life in general.

#### Darcy Indomable (Darcy's Wildlife)

Darcy Fields, fourteen-year-old daughter of movie star Victoria Fields, enjoys a dream life – Malibu beach-house, private jets, limos, every luxury a kid could imagine. So when her mother decides to quit the Hollywood rat-race and take Darcy to live on a ranch near the tiny town of Bailey in mid-America, Darcy can't see why it's a good idea. Luckily, Darcy is blessed with a good heart and a sweet, generous personality, and although she misses the glamour of her old life, she quickly discovers personal strengths that were unknown to her.



#### A Toda Prueba (Endurance)

Kids from across the country face physical, intellectual and strategic challenges with the goal of winning a fantastic travel prize. Each contest is a metaphor for real-life situations. In addition, there are challenges based on ten character traits that are important for success. Contestants must estimate probabilities and beat the odds. Narration and interviews during each episode trace the emotional growth and insight of contestants, as competition and teamwork teach both social and life skills to reach personal goals.

And during the week, there's nothing like a top afternoon or primetime novela:

#### Lo Que Callamos las Mujeres

A dramatization of real problems faced by modern Latin women. This series of single episodes features top Azteca talent and serves as a guide for healthy living in both the physical and emotional sense, as viewers relate to these problems and see solutions.



#### Se Busca un Hombre

Angélica (Andrea Noli) is a successful businesswoman who appears to have it all. She is the owner of the largest spa chain in the country, married to Gonzalo Villaseñor (Luis Miguel Nombana), with two beautiful children. However, things change when she discovers that Gonzalo is secretly seeing a younger woman. She faces the difficult decision of keeping up appearances of her current life or facing the fear of living without companionship. Her story leads into other experiences of women looking for Mr. Right. Featuring the return of heartthrob Leonardo García.

A novela that realistically portrays many issues that young Hispanics face today, such as immigration and job opportunities. Filmed in HD with a cast and production quality that is second to none. Expect it soon on Azteca America.



#### Mientras Haya Vida

In the clash of rich vs. poor, love is the only equalizing factor.

Héctor starts as a typical representative of upscale Mexico, a man who has everything. But he's willing to trade all except his dignity for Rebeca, a beauty of noble character trapped in the local housing project.

Their innocent love is surrounded by a ruthless struggle for power and territory. *Mientras Haya Vida* is about recovering lost simple pleasures and values like hope, humility and solidarity.



# The Fastest Growing Network Luis J. Echarte Chairman

Here is a brief overview of why we're the fastest-growing Hispanic network in the country.

Azteca America began operations less than six years ago, with a single station in Los Angeles. For our Upfront 2006, we were already up to 45 cities where 83% of Hispanics live. Most importantly, Nielsen began measuring us as an official broadcast network that same year. Building a grass roots footprint from zero to network status in less than five years is something that can be taken for granted, but it is by no means a small feat.

Today, Azteca America has presence in 57 cities that 89% of Hispanics call home. Twelve more cities are on board thanks to confidence from our affiliates in Azteca programming and operations. Among the new markets, six are over-the-air affiliates, such as Portland, El Paso, Boston, Seattle, New Orleans and Washington D.C.

But perhaps the most important distribution feat of Azteca America has been the rapid signing of new stations in Houston and Sacramento. Hours after the announcement of affiliation changes, our parachute team was analyzing real alternatives. And I must say that the radio power that Bustos Media can bring to Sacramento, just like the radio power that Churchill Media Arlie and Co. offers in Portland, is a significant promotional boost to these operations. Likewise, the strong promotional and local programming that UVM will add to Houston will give us competitive advantages for this markets that were not present in the past. We promised we would have options for these markets in time for the Upfront, and here they are.

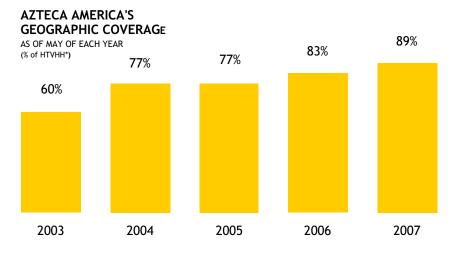
As for cable, last year we had only one direct-to-cable local market, Washington D.C. Today we reach Greenville, Raleigh, Tulsa, Toledo and Laredo through so-called "white area" agreements.

Additionally, we have boosted the number of national cable agreements from Comcast last year to include Cox and Time Warner this year - more soon to come.

And we're filling out where we need to be. One year ago we were in 27 of the 30 most important Hispanic markets. Today, we are in 34 of the 35 most important (still waiting for some Tigers fans to step up to the plate).

But there's more. We have added 1 million cable subscribers in the Washington D.C. metropolitan area, 1 million more on the border, 600,000 in the Carolinas and many more in New York, Chicago, San Antonio, Dallas and Albuquerque.

Having an established and growing footprint is critical for the success of a broadcast network. However, it's only one of several pieces to make a great company. For more corporate and sales news, read on....



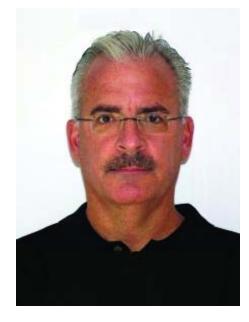
<sup>\*</sup> Hispanic Television Households

# Sales Update Bob Turner President of Network Sales

Our commitment to being a U.S. based broadcaster is present everywhere. In just short of a year since coming on board as President of Network Sales for Azteca America, I'm proud to say that we have made great strides in terms of building out the infrastructure necessary to offer a higher level of service to you, our clients.

The changes involve new attitudes and capabilities that are the product of both revamped human resources, as well as technology.

For starters, we've doubled, almost tripled our network sales and marketing team with seasoned top talent from the U.S. broadcasting and



radio industry. Our sales executives today have a strong team of researchers, sales planners and sales assistants behind them. So not only are our sales people bringing to the table better contacts like all of you, but they are better prepared when they go out to visit and are delivering more than promised.

They're also making a more uniform presentation of who we are

and what we have to offer throughout the country. A seven-figure investment in our Dealmaker software system has put us on a level playing field technologically with our network peers when it comes to inventory and pricing.

This backroom support allows us to bring to the forefront what we do best. Univision can offer you large audiences. However, nobody in the market can match the experience and production capability for integrated product that Azteca America has. Our Mexican parent practically invented the concept of product integration in television. Whether it's virtual overlays during a live soccer game, live products in a talk show, or custom scripts for a reality show, we are your answer to move beyond the 30 second spot.

We look forward to presenting additional benefits as we make our visits in following months. Until then, prepare yourself for a new day with Azteca America.

#### Names & Faces

Our Sales Team

#### **NEW YORK**

Angélica Bengolea - VP/Director of Sales Nicole Burri - Account Director Víctor Luciano - Account Executive

#### **CHICAGO**

Yesenia Ríos-Rubio - VP/Director of Sales

#### **DALLAS**

Alex Varel - VP/Director of Sales

#### **DETROIT**

Jennifer Van Vallis - VP/Director of Sales

#### LOS ANGELES

Mayra Crespo - VP/Director of Sales Rosa Aceves - Senior Account Executive Mónica Vespe - Account Executive

#### MIAMI

Iván Pérez - VP/Director of Sales

#### **SAN ANTONIO**

Nieves Martínez - Senior Vice President -West Coast Reg. Jay Martínez - Account Executive

# Hispanic Facts: Do you know your representatives? The Congressional Hispanic Caucus

The Congressional Hispanic Caucus is comprised of 21 Members of Congress of Hispanic descent. It was founded in December 1976 as a legislative service organization of the United States House of Representatives. Today, the CHC is organized as a Congressional Member organization, governed under the Rules of the U.S. House of Representatives and is dedicated to voicing and advancing, through the legislative process, issues affecting Hispanics in the United States and Puerto Rico.

The Congressional Hispanic Caucus aims to address national and international issues and the impact these policies have on the Hispanic community. The function of the Caucus is to serve as a forum for the Hispanic Members of Congress to coalesce around a collective legislative agenda.

In addition to covering legislative action, it also monitors Executive





and Judicial issues. In order to best address these diverse issues, members work in smaller task forces that draw on their expertise and develop priority legislation within each area.

#### **MEMBERS:**

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Joe Baca (D-CA)

#### • 1st Vice Chair

Raul M. Grijalva (D-AZ)

#### • 2st Vice Chair

Charles A. González (D-Tx)

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Xavier Becerra (D-CA) Dennis Cardoza (D-CA) Jim Costa (D-CA)



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#### Our Talent

#### **SAÚL LISAZO**

Born in Buenos Aires, as a kid Saúl dreamed of being a professional soccer player. However, his calling as an actor would soon take him far away from Argentina. In 1989, he flew to Mexico to participate in his first telenovela: *Amor de Nadie,* alongside Lucía Méndez and Fernando Allende.

Lisazo went on to become a popular novela star, with starring roles alongside Thalía and Gabriela Spanic. He also became a sex symbol in Mexico, and made a low budget film in Hollywood.

On stage, he toured Mexico with the play *Cartas de Amor* (Letters of Love) alongside Kate del Castillo.

Following the termination of his contract with Televisa, Saúl has participated in several projects with other networks.

He plays the role of Héctor Cervantes, opposite Margarita Rosa de Francisco, in the novela *Mientras Haya Vida*.

#### MARGARITA ROSA DE FRANCISCO

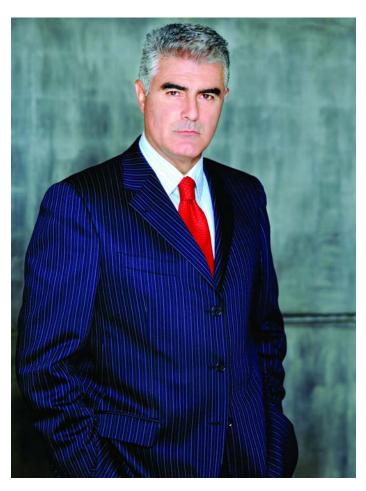
Margarita began her career as a professional model doing commer-

cials for small businesses until she got selected to participate in the Miss Colombia pageant.

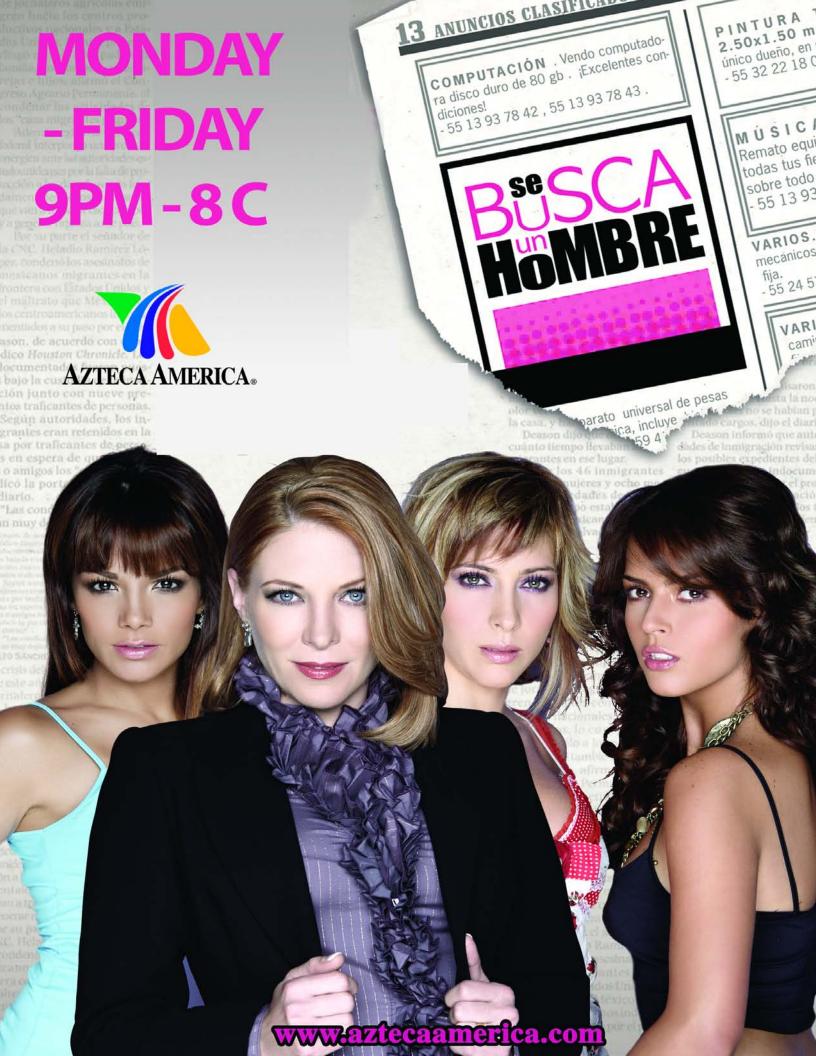
Although she finished a runner-up, it was enough to clinch a spot in the Miss World pageant of 1985. The contest boosted her modeling career and she received offers from major Colombian companies like Postobon, Revlon, Café Aguila Roja and Gran Ahorrar.

Her best known acting roles have been in novelas *Gallito Ramírez, Los Pecados de Inés de Hijosa* and *Café con Aroma de Mujer.* 

She plays the role of María Montero, opposite Saúl Lisazo, in the novela *Mientras Haya Vida*.

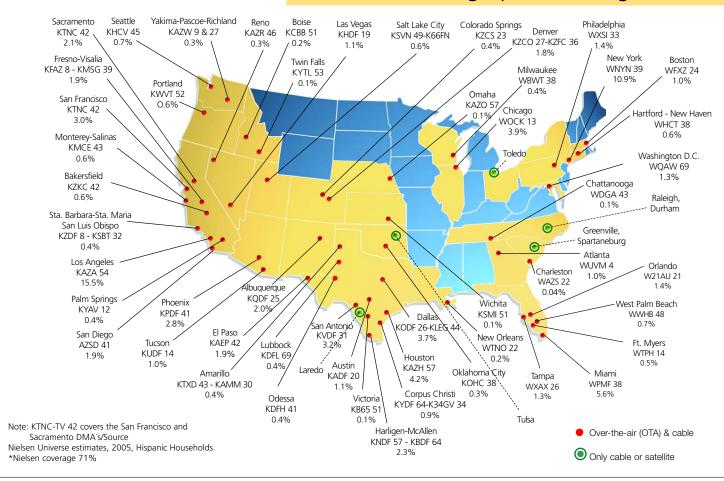






#### The Fastest Growing Hispanic Network in the U.S.

#### 57 Markets; Geographic coverage: 89%\*



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A Grupo Salinas Company www.gruposalinas.com

#### About TV Azteca

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

TV Azteca broadcasts five networks: the family-driven Azteca 13, with 278 signals in Mexico; the youth-focused Azteca 7, with 270 signals in Mexico; Proyecto 40; Azteca International for 14 countries in Central and South America and Canada; 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.