

The AzA Gazette



The Azteca America Monthly Newsletter for Clients, Friends and Associates

November 2004 • Number 25 • Year 3

Events & Features

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Dear AzA Friend:

It's very exciting to see our young network move forward. But we shouldn't be so set on the future that we lose track of where we started and where we have been. This month marks the second anniversary of the AzA Gazette. In addition to giving everyone a heads up of what's on the way, it's also an interesting retrospective.

In our first issue we were proud to speak of coverage in 18 markets. By our first anniversary, we were in 29. Today we are in 38 markets with exciting cable coverage news every month and more to come, as Luis Mariano Cortés continues to deliver.

As we keep on building our network, we are increasingly focused on promotion and refining our programming grid. Congratulations go out to Jorge Jaidar for the impressive ratings gains with our daytime

programming (see p. 6). Other strong local promotional efforts like those of Phoenix, Las Vegas, Fresno and Los Angeles, have been coupled with network and local efforts such as the recent *La Academia* tour in Houston, Los Angeles, Reno and San José, as well as the recent Jorge Campos farewell soccer rematch of Mexico and Brazil in Los Angeles.

In terms of finances, Azteca America sales for the third quarter were up 60% from a year ago to \$8 million, compared to \$5 million for the same period last year and \$1 million in 2002. The growth is thanks to a 200% year-on-year increase for the quarter on a network level, and a 50% increase in sales reported from the operation of KAZA in Los Angeles. Congratulation to Carlos de la Garza in New York and Eduardo Urbiola at KAZA. Our base continues to grow and we are committed to consistent strong increments.



I expect in coming months to be sharing with you more exciting cable and satellite news, as well as increased promotional efforts and more exciting programming. Not to mention ever-increasing sales numbers.

Congratulations to the staff of AzA Gazette for two years of excellence. Keep up the good work. We're here to stay and keep growing.

Luis J. Echarte
President and CEO

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Station Spotlight: Phoenix KPDF Channel 41 / Cox 58

Tomás Urbina
Southwest Regional
Sales Manager
Una Vez Más



One way to measure the exponential growth of KPDF is by listening to the ring of the cash register, where the station is well ahead of initial targets.

"It's been tremendous growth in both audience and revenue," said Tomás Urbina.

One of the keys to the station's success is a joint sales effort with Cox cable. On day one of the agreement that went into effect in July, KPDF had a sales staff of 30 account executives and researchers previously established in the Phoenix market to sell Azteca America's stellar programming.

"We have exceeded sales expectations for Phoenix and are hoping for the same success in Tucson," said Fran Mallace, vice president Cox Media Arizona. "Azteca has been very well received by advertisers in Arizona."

But the local market expertise does not end there. Tomás himself has 10 years' experience selling in the Phoenix Hispanic market, following eight years with the local Univision station and a year and a half with the local Telemundo station.

For next year, the station will be adding exclusive KPDF reps to complement the Cox staff. The station should also begin to feel the full benefits of a recently penned agreement with the National Cable Communication (NCC), a national sales rep firm that is owned by Comcast Cable, Cox Media and Time Warner Cable and represents 12 cable operators, and for the first time in their history, stations from a broadcast network: UVM's stations in Phoenix, Las Vegas, Tucson, San Diego and Santa Barbara.

Deborah Cuffaro, Vice President of Multicultural and Emerging Markets, for NCC in New York said she was "honored and excited" about the relationship with UVM. She added that the synergies were "a natural fit."

Other exciting news is that neighboring KUDF in Tucson is now on analog cable at Cox 61 as well as digital cable.

Strong community involvement has been key to success at KPDF. This year, KPDF has been the media partner for top local festivals: *Cinco de Mayo*, *Fiestas Patrias*, and *Fiestas de*

la Familia, events that garner attendance of between 40,000 and 100,000 each. Grassroots events are combined with a powerful billboard, radio and print media program (see p. 7).

For 2005, the plan is to have at least one major community event per month. Aside from promotionally motivated activities, KPDF is also working with other media partners for a *Jugetón* toy drive with the goal of distributing 5,000 toys, as well as a Christmas basket program, *Canastas Navideñas*, to deliver care packages to 2,000 families.

"There's a lot of excitement about Azteca America being here," said Tomás. "And it helps that 84% of the Hispanics here are of Mexican descent."

Station Data

Market	Phoenix
Call Letters	KPDF
Channels	41

General Market

Market Rank	16
Population 2002*	4,149
Households*	1,528
% Cable TV	
Penetration 2003	60%
Retail Sales (Million US\$)	55,941
% of Hispanic Origin	23.9%

Hispanic Market Info.

Hispanic TV HH Market Rank	9
Hispanic TV HH	
Market Coverage	2.5%
Hispanic TV HH Market *	266
Hispanic P2 + Coverage	2.7%
Hispanic P2 + *	994

* In thousands

Azteca America With Two of Top Three Post-Season Liguilla Berths

With one week left of regular season play at Week 16, the berths are already sealed for the post-season *Liguilla*.

The *Tiburones Rojos* of Veracruz finished week 16 with 35 points, thanks to 12 wins, three losses and one tie.

Second place with 30 points, is Atlas of Guadalajara, following a solid win against Culiacán on Nov. 13 that was broadcast by Azteca America.

Aside from a very good shot at the title of this season, third-place Pachuca has earned the first ticket to the *Copa Libertadores* Mexico-South America tournament for next year.

Although the eight finalists for the *Liguilla* will not move after the final week of regular season play, the places within the final eight are yet to be defined. The first round of the *Liguilla* places the first-seeded team, in this case Veracruz, against

the last seeded team. The second seeded team plays the seventh, the third with the sixth and the fourth and the fifth –seeded teams to narrow the field to four.

While Veracruz has its top seed regardless of the outcome of Week 17, Atlas would have to beat America on Nov. 20 to maintain second place, and several other teams could be shuffled in order within the final eight.

Quarterfinals
November 24 - 28

Semifinals
December 1 - 5

Final
December 8 -12

Liguilla standings as of week 16:

1. Veracruz *
2. Atlas
3. Pachuca *
4. Toluca
5. Monterrey
6. Guadalajara
7. Atlante
8. Pumas

* Broadcast by Azteca America

AzA November Transmissions

NOV.	HOME		VISITOR	TIME
20	Cruz Azul	Vs	Santos	17:30
21	Veracruz	Vs	Jaguars	12:30

All times listed are EST and broadcast live • Games are subject to change

Campos-Romario Rematch Fills LA Coliseum

Over 50,000 fans were on hand at the LA Coliseum for a farewell match between the 1994 national teams of Mexico and Brazil.

The attendance, one of the highest ever for a Mexican soccer match in LA, was thanks to strong promotional work by AzA, Agencia Azteca and Traffic.



The match was also an opportunity for famed Mexican goalie Jorge Campos to bid farewell to his career as a player as he moves to coaching.

On the Brazilian side, Romario de Souza, one the greatest Brazilian players of all times after Pelé, was accompanied by teammates Bebeto, Dunga, Tafaell and Jorginho, while Campos was supported by Luis García, Luis Hernández, Alberto García Aspe, Claudio Suárez, Miguel Herrera and Luis Roberto Alves "Zague."

Hispanic Market Highlights

By now you have undoubtedly experienced in some way the Latino phenomenon. You may have read impressive statistics of the explosive growth of Latinos, or even participated in a venture to capitalize on this growing market.

The United States has always been a country of diversity, and the ethnic group which has arguably added the most flavor and impact to this culture, from the food to entertainment, has been Hispanics.



Still, the question persists, "Is the US Hispanic population that significant?" To answer, let's take a look at the following:

I) Hispanics are the largest ethnic minority group in the United States.

Census figures show that Hispanics are the largest US minority group, with over 39.9 million people on July 1, 2003. Officially, more than one out of eight people in the U.S. are of Hispanic origin. Unofficially, there are an estimated 6 million additional undocumented Hispanics (according to an INS report issued in February 2003).

II) Hispanics are the fastest growing demographic group in the United States.

The Hispanic population is projected to triple in size by 2050. By the year 2030, 48.2% of this country's total consumer growth will be driven by the Hispanic population. (Source: AHAA: Hispanic Media & Marketing Factoids).

III) The Hispanic population is much younger.

According to the U.S. Census Bureau, March 2002, Hispanics were the most likely to be preschoolers (under age 5). In 2002, 34.4% of Hispanics were under 18 years of age, compared with only 22.8% of non-Hispanic Caucasians.

IV) The purchasing power of the Hispanic market is growing faster than that of the rest of the population.

The U.S. Hispanic purchasing power growth rate was three times the overall national rate in the last decade. From 1994 to 2004, U.S. Hispanic purchasing power posted a compound annual growth rate of 7.7%, nearly three times the 2.8% total U.S. rate of disposable income. Hispanic purchasing power is expected to soar to \$1 trillion by 2010, according to estimates by Hispan Telligence, based on analysis of U.S. Bureau of Economic Analysis.

Despite the fact that total consumer spending by Hispanics was \$531 billion in 2002, only 2.4% of America's leading commercial advertisers resources were targeted to this group.

V) Hispanics, even bilingual Hispanics, prefer their media in Spanish.

ADFlorida Advertising reports that 95% of Hispanics consume "some form of Spanish language media." According to Hispanic Opinion Tracker, each week 78% of Hispanics watch Spanish-language television; 60% listen to Spanish-language radio; 29% read Spanish-language newspapers, and 53% read Spanish language magazines. In 2002, US Hispanics reported watching an average of 14.5 hours per week of television in Spanish. This demonstrates that Hispanics actively seek Spanish language media. Marketing in Spanish continues to be an important way of reaching the largest number of US Hispanic.



According to a report from Doublebase Mediamark Research, Inc., nine out of 10 U.S. Hispanics rate language as the most vital element of their culture safeguard. Ninety-four percent of them learn to speak Spanish before they learn to speak English, and 80% of Latino adults speak Spanish at home. The Spanish language is a strong emotional aspect of the life of Hispanics.

The time is now; invest in Azteca America: a new opportunity to consolidate your product among Hispanics.

Special Thanksgiving Day Lineup

There's nothing like classic Mexican movies and entertainment specials to accompany a succulent turkey with all the trimmings.

Starting at 11am / 10 am CST we present the adorable Mario Moreno, better known as "Cantiflas," at his best in *Aguila o Sol*. This is a classic movie about Polito Sol and the two Águila siblings, Adriana and Carmelo, who grow up together in a convent after being abandoned by their parents. However, once Polito's father, Don Hipólito Sol, experiences a change of fortune, he decides to look for his son. The trademark fast-talking double-entendre and physical comedy of Cantiflas is a sure family winner as the trio and Polito's father cross paths.

Once the bird is in the oven, enjoy our entertainment special, *Especial Musical Norteño*. Part of our very successful weekend entertainment specials, this program features interviews and videos of your favorite norteño group, including Los Tigres del Norte, Ramón Ayala, Límite, Intocable, Víctor García and many more. The music starts at 4pm / 3pm CST.

For the feast, we present Ricky Martin in a special *Historias Engarzadas* feature at 5 pm / 4 pm CST. Monica Garza uncovers the truth about the former Menudo star from Puerto Rico through revealing interviews, where friends



and family discuss his manager, his music, his success and legal conflicts.

And to go with your pumpkin pie, we present our second movie, *Gavilán Pollero*, with Pedro Infante, Antonio Badú and Lilia Prado at 8 pm / 7 pm CST. In this classic Western drama, Pedro Infante is José "El Gavilán" Inocencio, a player who has his way with the most beautiful women in town. His lover Antonia, "La Gela," is tired of his philandering and drives him to bankruptcy as revenge. Josetries to get back by turning her away when they meet again, but La Gela's second payback is even harsher.

Highlights from La Academia in San José

The night was electric on Oct. 30 thanks to the talent and devotion of 14 members of *La Academia* during the concert that lasted more than two hours in the Events Center of SJSU.

Of special note was the presence of Víctor García, who managed to get a short break from his filming sessions of the upcoming novela *Los Sanchez*. Concert organizers had their hands full trying to keep women off the stage during his performance of *Desvelado, He venido a pedirte perdón, Mi funeral* and his best-known single *Otra vez*.

The concert opened with a group number of *De pies a cabeza*, followed by individual performances by Suzette, Ricardo, Laura and Wendolee. During the concert Erika, Estrella, Toñita, Nadia, Raúl and Myriam also sang titles from their latest CDs. Special guests included Melissa, Israel and Diego from the Third Generation.

The closing number was a group interpretation of the *La Academia* theme song *Subir la cuesta*.

The audience left no doubt that there is plenty of appetite for both a fourth generation and *La Academia* Hispana for 2005.



Lessons From Election Day

*By Armando Guzman**



Let's begin with two facts: First, one half of all new Hispanic voters - nearly 4.5 million people - voted Republican. Second, 44% of all Hispanics - 9% more than in the 2000 election- voted for Bush.

Surprised? You shouldn't be. What happened to the Democrats on Election Day is the result of years of taking Hispanics for granted, and now the party is acting like the philandering husband the day his neglected wife finally gets up and leaves him.

On the positive side for Democrats, losing the Hispanic vote may be the best wake-up call in decades. With due respect to my Democrat friends, the humiliating loss was well earned.

This is 2004. Democrats have to differentiate Latinos from African Americans or else Latinos will only continue voting Republican.

Why was it a surprise that the family values held by the Republicans are actually closer to traditional Latino values than anything Democrats have offered?

This is why Bush won the Catholic vote against a baptized Catholic and why God fearing people came to vote in bigger numbers than Bush fearing ones.

Times change. Hispanic communities have grown and learned English. They understand that their kids need two languages, two cultures and a good dose of ambition.

We Latinos reject the government programs and housing projects designed to save us from eternal poverty, and are as entrepreneurial and ambitious as the rest of the country.

It is not that Bush tries to speak Spanish; Kerry recorded more Spanish campaign messages than the President. However, the lesson for both sides is the message supercedes the messenger.

These have surely been the most important elections in history for US Latinos. In addition to showing Democrats that we shouldn't be taken for granted, we now have two new Latino senators: Mel Martinez, a very capable Republican from Florida, and Ken Salazar, the very energetic Democrat from Colorado.

While not the first time that Latinos are in the Senate, it is the first time when we can directly influence policy.

What both senators need to do is reach across party lines for the betterment of their community and of the nation.

With the results of these elections, anything else would be a crime.

*Armando Guzman is our Washington Bureau Chief

Daytime Network Audience Share Doubles for Young Females

Azteca America's afternoon block is hot, especially for young women. According to NHTI data for 18-34 females, audience share for our *Soñarás* novela with Yahir has increased more than three-fold at 12 pm, when comparing averages for two halves of the year.

Comparing similar periods, our 1pm transmission of *Ventaneando* has also increased more than three-fold. Meanwhile, our single-episode dramatic series, *Lo Que Callamos Las Mujeres*, has boosted its share by 80%, and our *Cante y Gane* game show has increased 22%.

Looking at Los Angeles, *Sonarás* has outpaced Telemundo's *El Mundo de Mariana* by 23% in its timeslot on average for the past five weeks in total audiences. However, when it comes to 18-34 females, *Soñarás'* share is more than eight times the Telemundo show.

Also in Los Angeles, share has more than tripled when comparing the average first and second halves for the 1 pm *Ventaneando* and *Cante y Gane*. Audience share for *La Vida Es Una Canción* is up 80%. Meanwhile, *Lo Que Callamos Las Mujeres* has more than doubled its share, and average audience share for *Soñarás* is more than eight times this half what it was for the first half.

About ATS

ATS is an integrated software suite of sales, scheduling, traffic and billing solutions, to help broadcasters increase revenue and reduce costs.

The suite contains the following features:

ATS PROGRAMMING: Facilitates the analysis of the Network Schedule and its daily changes on-line, allowing the user to schedule local programming.

ATS SALES: Provides sales teams the operation with an Order Management Module, which includes detailed information about Ad Agencies, Advertisers, Brands, Order Information and Automatic Spots Allocation into the log.

ATS TRAFFIC: Facilitates Log Management of local breaks which are available into the Play List Module.

Provides the user with the ability to analyze available inventory and media management.

Allows the creation of an automatic format file to make an open interface with Master Control Systems linked on-line to Network Schedule.

ATS RECONCILIATION: Provides the capability to reconcile the planned log with the "as run" information. This information serves as the source for the Sales Administration to generate precise invoices.

ATS SALES ADMINISTRATION: The Billing Module provides the process to generate the invoice for each spot transmitted on air, using either a Broadcast or Gregorian calendar.

Accounts Receivable available to provide control of payments for invoices and receivables aging.

For more information :
<http://www.gts.tvsystems.com/ATS>

Una Vez Más Paints the Town Red (as well as Yellow, Green, Blue and Purple) in Phoenix and LV

An aggressive billboard campaign by station group Una Vez Más in Phoenix and Las Vegas is literally changing the cityscapes of these two towns.

As of early October, Una Vez Más is displaying a total of 182 billboards in both cities. The breakdown is 177 in Phoenix (8 large highways, 105 buses, 60 bus shelters, and 4 mall kiosks) and 5 in Las Vegas (5 large main artery highways).



"When you want to make a big statement there's nothing like a 14 x 48 ft billboard to do the talking," said Mark Paretchan, President of Sales for Una Vez Más.

The campaign is the cornerstone of multi-prong promotional campaign that also includes radio and newspapers. In Las Vegas UVM is partnering with Univision Radio's three stations through aggressive spot and watch, listen and win campaigns. Phoenix's radio focus is a strategic partnership with Entravision Radio's three stations that includes an aggressive spot schedule and event sponsorship.

"Most importantly, the talk on the street is ever day louder that Azteca America is here and here to stay," added Mark.



La Academia Concert Tour Strengthens Promotional Efforts

The four-city tour of all three generations of *La Academia* was a grand success as a network promotion in the cities of Houston, Las Vegas, Reno and San Jose.

Myriam, Raúl, Toñita, Nadia, Estrella, Laura, Wendolee, Erika, Suzette and Ricardo were all on hand for the tour, as well as special appearances by Carlos, Diego, Melissa and Israel from the third generation, and the

crowd pleaser Víctor García for the final concert in San José.

We would like to thank our official tour sponsor, the Mexican airline Aviaca, as well as local station partners KAZH in Houston, KHDF in Las Vegas, KAZR in Reno and KTNC in San Jose, as well as support from KMCE in Monterey-Salinas and KMSG in Fresno. Thanks also go out to our concert promoter partner Luna Management, as well as to *La Academia* Director Juan Carlos Alonso, for his work as MC during the tour.

In addition to 43 pre-tour phone interviews, mostly for radio - but including written press and Internet-, the group of *La Academia* graduates was on hand for three remote radio transmissions and special events, visited 12 radio studios and was present

at seven autograph signing sessions. They also filmed local television and radio promos, as well as an additional 15 phone links to radio stations during the week of the tour.

We look forward to sharing more *La Academia* excitement in 2005.



Names & Faces Our Executive Assistants

You probably recognize their voices, but might not place them with these lovely faces.

Ranking veteran in seniority –but not in age- Diana Cruz has been with Luis Echarte for nine years, serving him since his days at Grupo Elektra and also as CFO of TV Azteca before being CEO of Azteca America. Diana has an eight-year-old daughter, Dianita, and a 17-year-old son Miguel Angel.

Closely behind in seniority is Wendy Waag, who has been with Luis for eight years. Having entered Grupo

Salinas in 1996, Wendy has also served Luis through his career at Elektra and TV Azteca prior to Azteca America. Wendy has four children: Erick, Jacqueline, Yuval and Joel.

Hashim Benedet arrived at Azteca America in February of last year.



She says that what she likes most about Azteca America is meeting new people. She has a son, Carlitos, who is eight years old.

Proudly born and raised in Tuxtla Gutiérrez Chiapas, Elsa Martínez has been with Azteca America since June of 2003, supporting the operations team headed by Jorge Jaidar. With studies in accounting from ITESM in Monterrey, Elsa is also an important aide to our finance and administration operations.

Correction: Last month our Director of Finance and Administration was incorrectly identified. Alex Trachtman has studies from USC. We regret the error.

Jlas Juanas

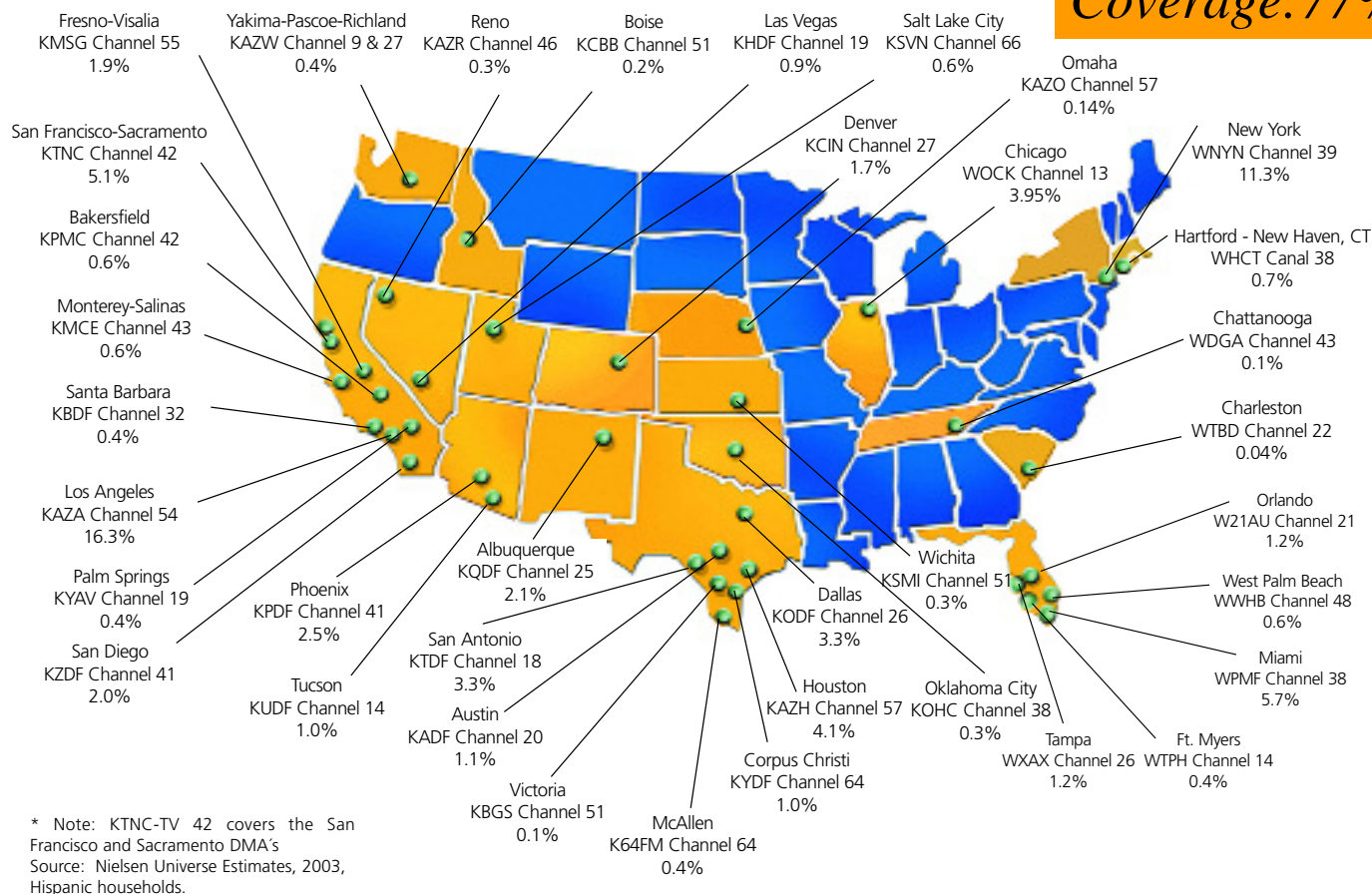
5 beauties that will leave you breathless



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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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