The AzA Gazette AZTECA AMERICA



The Azteca America Monthly Newsletter for Clients, Friends and Associates

July 2003 • Number 8 • Year 1

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Feature	es

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- Enamórate Novela Debuts on Azteca America

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Azteca America begins to operate KAZA-TV in Los Angeles

This month marks Azteca America's managerial control of its Los Angeles affiliate KAZA-TV under the terms of a local marketing agreement (LMA). In addition, Azteca America now has an option to purchase KAZA-TV from the station owner Pappas Telecasting.

The operation of the Los Angeles station is a great leap for Azteca America. The LA market area has the highest concentration of Hispanics in the United States, seven million, equivalent to 40% of the population of LA, and 16% of Hispanic households across the country. As a full power station with complete cable coverage, the pioneer affiliate of Azteca America is the flagship of the entire Azteca America network.

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Azteca America es tu KAZA!

I am very excited and proud to announce to the Gazette's Reader's that on July 1, Azteca America Network took control of the operations of its flagship station, KAZA, Channel 54 in Los Angeles, under a local marketing agreement (LMA) signed with Pappas Telecasting Companies. In addition to the LMA agreement, Azteca America has obtained a purchase option for the station (please see adjoining article).

KAZA represents an important platform for increased promotion in the Los Angeles area, as well as for our entire network. Los Angeles is the largest and one of the most demanding Hispanic markets, and we feel that the station offers an important branding tool as it will allow us to strengthen our channel image and promotions capabilities.

So far, it has been an incredibly enriching experience to learn from the lean operations that Pappas Telecasting Companies had in place at this station and I would like to take this occasion to thank Mr. Harry Pappas and his seasoned team of broadcasting professionals for a seamless transition.

This month we are also celebrating a second-place finish of Azteca'sown Monarcas Morelia soccer team and an exciting on-site transmission of Ventaneando from Ceasar's Palace in Las Vegas.

Finally, I would like to take this opportunity to welcome our newest affiliates, KPSW Channel 43 in Phoenix and KQBN Channel 14 in Tucson. It's great to have you on board.

Please enjoy this month's Gazette,

Luis J. Echarte President and CEO Azteca America

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Station Spotlight:

WTPH Channel 14 Ft. Myers, Florida

José Blanco President

Despite being less than a three hour drive from Miami, the Hispanic demographics of Ft. Myers-Cape Coral are much closer to that of the western portion of the United States.

"The Hispanic population here is similar to that of California or Texas," said José Blanco, president of WTPH Channel 14 in Cape Coral, where he estimates that about 70% of the residents are Mexican, followed by Colombians, Cubans and Puerto Ricans.

And although the combined population of Ft. Myers and Cape Coral is less than 500,000, it is interesting to note that more new houses are built here annually than in Miami, with a population three times as large.

This translates to well-paid construction jobs, an important source of purchasing power for many Hispanic residents. José sees this as translating into an attractive market for Azteca America. And the station owner and CEO, Gastón Cantens is likely to get a two-fold benefit from the growth.

Both Cuban-born and childhood friends, José and Gastón have a long history of close contact with the Hispanic community. As founder of Royal West Properties, a real estate development company, Gastón was a pioneer in home financing as well as building for the Hispanic community in Cape Coral, having helped over 5,000 residents become homeowners.

One of the local programming initiatives scheduled to be on the air in coming months is a show to help recent residents navigate through the red tape necessary to become home buyers.

By September, José hopes to have a total of six local community programs. The first two programs, a medical advice show transmitted from a local hospital and a call-in show on community issues broadcast from the mayor's office, could be ready in two weeks. Other local initiatives in the works are a newscast, an immigration legal rights show, and a social justice show.

A new building that will house Royal West Properties, as well as an entire floor for WTPH's three studio sets and offices is expected to be ready in coming weeks.

José describes his work experience as being always related to the Hispanic community. He has produced and hosted Spanishlanguage radio, served in the military, held the position of business manager of WQBA radio in Miami, and founded an advertising agency.

With WTPH on the air since April 26, José says that most of his recent energy has been focused on spreading the word of Azteca America. He said he is currently negotiating barters with several of the 14 Hispanic publications in the Ft. Myers-Cape Coral area as well as with KEBUENA radio station.

Azteca America adds two affiliates in Arizona

Azteca America announced this month two new affiliates, KPSW Channel 43 in Phoenix and KQBN Channel 14 in Tucson. With the addition of these two cities, Azteca America reaches 26 markets, covering 63% of Hispanic households and introduces its programming to the ninth and twenty-fourth largest Hispanic markets in the United States, respectively.

With the addition of Phoenix, Azteca America is now viewed in twelve of the top fifteen Hispanic markets. The population of Phoenix is 23% Hispanic, of whom 87% are of Mexican origin, 2% are Puerto Rican, and 11% are Cuban, Central or South American. Hispanics in Phoenix represent a youthful community, showing a median age of 27 years, compared to 35 years for the city's total population.

The importance of the Hispanic community is also evident in Tucson, as 32% of the population is Hispanic. A breakdown by nationality shows that 90% are Mexican, 1% are Puerto Rican and 9% are Cuban Central or South American.

In Arizona as a whole, one out of every four people is Hispanic, of which 82% are Mexican. The U.S. Census predicts that Arizona's Hispanic population will nearly double by the year 2025.

Ventaneando To Broadcast From Ceasar's Palace in Las Vegas

One of Azteca America's most popular entertainment shows, *Ventaneando* will be broadcasting live from Ceasar's Palace in Las Vegas on July 9, 10 and 11.

The on-site broadcasts are the start of a promotional tour and an added plus for viewers.

Ventaneando, with seven years on the air in TV Azteca, is hosted by Pati Chapoy, Pedro Sola, Mónica Garza, Aurora Valle and Daniel Bisogno, and offers the best in entertainment news and commentary on your favorite Latino stars. The transmissions will include an exclusive interview with pop star sensation Celine Dion.



The event is co-hosted by Las Vegas affiliate Azteca America KHDF, which offered key support to make the transmissions a reality.

Don't miss *Ventaneando* Monday through Friday at 6 PM PST and CST, and 7:00 EST.

About Pati Chapoy

Born in a humble family in Cuernavaca, Morelos, Pati began her journalism career as a messenger in an economist's office, where she supplemented her income with articles for small magazines.

After graduating from the Escuela de Periodismo Carlos Septién García journalism school, she got her first staff reporting job at *Diseño* magazine, where she completed with freelance articles for the publication *Contenido* and a radio program *Clave W*.

She worked her way up to the editor of the Sunday supplement of *Novedades* newspaper and director of Mexico's *Vanidades* magazine.

Her first job in television was with Televisa as a coordinator for *México, Magia y Encuentro*. This was followed by work as a back

stage coordinator for Siempre en Domingo, Bella Época, Estrellas de los 80's and Galardón a los Grandes.

Her work as a showbiz television journalist began with the pioneering format of *El Mundo del Espectáculo*.

Following 20 years at Televisa, she joined TV Azteca first as Advisor to the Administrative Board and later as Production Director for *En Medio del Espectáculo*.

In 1996, she launched the highly successful *Ventaneando*, which showcases her incisive critiques, wit and solid entertainment reporting.

She has also produced the music programs: Alfa Dance, Corazón Grupero, Top Ten, Neon Nights and Hit Popular; as well as the entertainment programs Caiga quien Caiga, Atando Cabos, La Remolacha, El Ojo del Huracán and Con un Nudo en la Garganta. Pati is married with two children.



Enamórate Novela Debuts on Azteca America

Hit novela sensation *Enamórate* is now showing on Azteca America. Following a debut on June 23, the drama featuring *La Academia* finalist Yahir is proving to be an early success.

Yahir plays a namesake lead opposite the young aspiring Martha Higareda, who plays Celeste.

The novela is centered on an impossible love between Yahir, an affluent university student and Celeste, a welder who has dreams of becoming a professional dancer.

Their romance faces the scorn of Yahir's father, played by Fernando Sarfati, especially when Yahir decides to leave school to pursue a singing career. The romance also confronts the jealousies of fellow *La Academia* students-turned-actors María Inés and José Antonio.

Catch *Enamórate* Monday through Friday at 7:00 pm PST and CST, and 8:00 pm EST on Azteca America.

About Yahir...

Born in Hermosillo, Sonora, Yahir says he has always had a passion for singing. He inherited a joy for music from his family. His grandfather is a composer and taught Yahir his first song, *El Ranchito*, at age seven. He also taught Yahir how to play the guitar.

Growing up surrounded by musicians, he used to go on holidays to a small town called Toniche, where he would sing together with banda and mariachi groups. His first gig in a cantina was also at age seven with a mariachi group.

At the age of 18 he started his first regular singing work at a bar called *La Chuza*, where he stayed for six months until being offered a performing opportunity in a hotel in Tijuana.

However, it was being a finalist in TV Azteca's hit reality show *La Academia* that launched Yahir's recording and acting career. His first CD, *Alucinado* has already gone platinum.



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"Azteca America offers a unique product that connects with a dynamic Hispanic audience," said Mario San Román COO of TV Azteca. "Bringing our full programming, including novelas, soccer, live shows, news and entertainment shows to Los Angeles represents an enormous opportunity to enhance the Azteca America brand equity throughout the entire network."

Azteca America, which will provide programming 24 hours a day, will be responsible for promotional activities, leveraging the fact that KAZA-TV is a recognized name that has much to offer the network and its affiliates. Azteca America will also manage the team that will be responsible for local and national spot sales.

"We are excited about the mutual benefits this transaction represents for Azteca America and our company. I sincerely wish Azteca America the best in their operation of KAZA," said Harry J. Pappas, CEO of Pappas Telecasting.

With the operation of KAZA-TV, Azteca America expects more consistency between the network and station image and enhanced promotional activities. By taking advantage of Azteca America's full programming schedule, the company also expects to solidify the positioning of the network as a superior viewing alternative in the market. And watch for upcoming local productions such as newscasts and entertainment shows.

Names & Faces Operations and Traffic Managers

Esteban García Ricardo Becerra

Ricardo Becerra joined TV Azteca in 1997 as a member of the company's traffic department. Shortly afterward he moved to the sales department, working with network spots. He finally reached manager of the direct sales department as part of the team led by current Azteca America operations director, Jorge Jaidar. Ricardo helped Azteca America's pilot operations at its KAZA affiliate in Los Angeles and later joined the Azteca America Network



team officially as Traffic and Operations manager under Jorge's direction.

Esteban García joined TV Azteca in 1998 as a supervisor of traffic and continuity of Azteca channels 7 and 13, responsible for coordinating programming and ad insertions. He was also key in the ISO-9002 certification process for the traffic area. Also a participant in the launching of Azteca America's first affiliate in Los Angeles, Esteban joined the Azteca America team along with

Ricardo, sharing the same Traffic and Operations Manager title.

Responsibilities for both Ricardo and Esteban include supervision of network ad insertions, and support of local affiliates with general needs for local insertions. They have the added responsibility of promotion and special events for the network.

With a growing schedule of promotional events this year, expect to see these faces soon in a DMA near you.

Monarcas Continue String of Second-Place Finishes

Despite finishing as the points leader of the Mexican Soccer League in regular season play, TV Azteca's Monarcas Morelia had to settle as runner-up to the champion Rayados de Monterrey in the defining *Clausura* tournament.

Monarcas started off on a weak foot after losing the first of the two-game final series 3-1.

The loss was supported by a few controversial calls by referees and a weak show of the Monarcas traditionally stellar defense. Since the finals are determined by a goal advantage, the Monarcas were still in the running entering the final game on their home field.



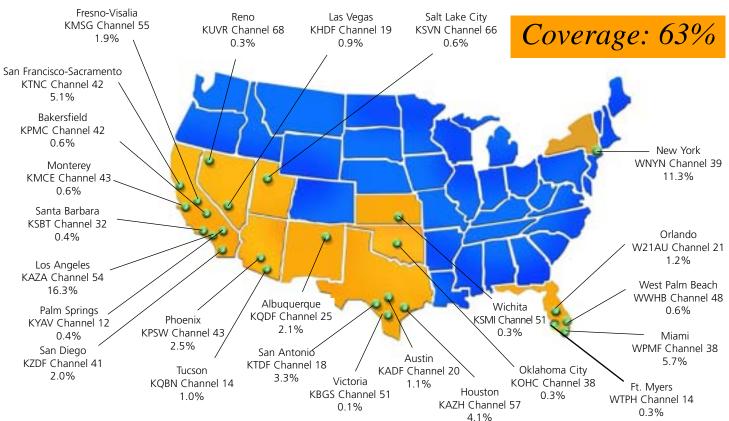
The team overcame a similar, albeit lesser, disadvantage against the Tiburones of Veracruz in the semifinal. However, a 0-0 tie in the final in Morelia meant that the Monarcas

had to settle for a second-place finish. This is the second consecutive season that the Monarcas finish as season runner up.

Fortunately for the business side, the final game in Morelia has set sales records for a single event in TV Azteca, which highlights the importance of soccer finals, especially with male audiences. Soccer transmission rights are negotiated for home games of participating games. TV Azteca and Azteca America had rights to a semifinal, as well as a final transmission given that its has both the Tiburones and Monarcas under contracts for transmissions.

Stay tuned to Azteca America for the best in Mexican soccer coverage. As for the next final, remember, *la tercera es la vencida!*

The Fastest Growing Hispanic Network in the U.S.



* 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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