Notes From Miami

Ricardo Salinas’ visit to Miami was without a question a strong success, in a tightly scheduled day of events.

We started out with a visit to Miami Mayor Manny Diaz—who serves up a mean café cubano—followed by a visit to the Board of Governors Luncheon of the Greater Miami Chamber of Commerce (GMCC), and finally to Florida International University (FIU) for a series events, including an address by Mr. Salinas as part of the Wertheim Lecture Series, at the College of Business Administration.

The inspiration and knowledge that Mr. Salinas conveys is a very powerful message for our youth, and we look forward to his future speaking engagements at universities both in the U.S. and Mexico.

I’d also like to thank our friends at FIU, specifically Associate Dean Jerry Haar, Executive Dean Joyce Elam, Assistant Dean Annabelle Rojas and my longtime, young friend President Modesto Maidique.

At the GMCC our thanks go out to the entire board of this great organization and specifically to GMCC CEO Barry Johnson. And at the Mayor’s Office in Miami, thanks to Isabel de Quesada, and of course the Honorable Mayor Manny Diaz.

Enjoy the second issue of Grupo Salinas Update, Luis J. Echarte

Ricardo B. Salinas Delivers Address to Florida International University Students and Faculty

Grupo Salinas Founder and Chairman Ricardo B. Salinas visited the campus of Florida International University this month during an address to faculty and students at FIU’s College of Business Administration, as part of the Wertheim Lecture Series.

“I cannot help but note the many commonalities between global corporations and our global university,” said FIU President Modesto Maidique. “Both of our organizations are dedicated to provide access and opportunities to segments of the population that have not always had that access.”
With a presentation entitled “Selling to the Poor: a 100 Year Success Story,” Mr. Salinas shared some of the entrepreneurial and social development opportunities of businesses that focus on low-income consumers, a market referred to University of Michigan Business School Professor C.K. Prahalad as the “Bottom of the Pyramid.”

“The best solution to the problem of poverty is to create wealth,” argued Mr. Salinas. “We need to look for new entrepreneurial solutions to old problems,” he added.

The visit also included an address to the Greater Miami Chamber of Commerce (GMCC) at its Board of Governors Luncheon, which includes several hundred of Miami’s most prominent business leaders.

Miami Mayor Manny Díaz presented Mr. Salinas a “Distinguished Visitor” proclamation following a private meeting where they discussed the state of local cross-border issues.

Special thanks go out to everyone at FIU, the GMCC, the Office of the Mayor and Grupo Salinas who made this event a success.

The full video of the FIU presentation will be available at www.ricardosalinas.com.
Fundación Azteca Raises US$3 Million to Conserve Mexican Habitats of Monarch Butterflies

Fundación Azteca once again exceeds its goals through its monthly Movimiento Azteca fundraising and awareness program, which was recently centered on conservation of the monarch butterflies habitat.

Despite its wingspan of just a few inches, the monarch butterfly migrates from Canada and the United States in groups of millions to very few and small reserves located between the Mexican states of Michoacán and the State of Mexico. Here in the forest of Oyamel firs, monarchs breed for as long as five months. Then in the spring they start a three month journey back to the U.S. and Canada to continue their reproductive cycle.

The preservation of these lands is crucial to the subsistence of the species and Fundación Azteca works side by side with Fondo Monarca, Mexican representatives of World Wildlife Fund (WWF) and the state governments of Michoacán and the State of Mexico to preserve forests and water supplies that benefit the communities in the targeted areas as well.

The donation will be used to reforest, monitor and sustainably manage 6,250 hectares of forest, and includes active participation of local communal landholders and indigenous groups within the reserve area, as well as the creation of a special squad to prevent illegal logging within the reserves.

To read more about the state of monarch sanctuaries, see a recent New York Times article at: http://tinyurl.com/2dvctx.

Visit www.fundacionazteca.com for more information on this and other Movimiento Azteca activities.

As a tribute to our Chairman and Founder, Ricardo B. Salinas, the site www.ricardosalinas.com is now live. Featured in the current issue of Forbes magazine, the site contains biographical information, as well as the vision, values, social and cultural commitments and business achievements of Mr. Salinas. On the lighter side, the site includes an “interesting info” section that has been an early site favorite. The current site is in Spanish and an English language version is planned for later this spring.

Don’t miss www.ricardosalinas.com
Trekking to Davos, by Sergio Sarmiento

I dread my annual trek to Davos. For a non-skier from a tropical country, going to the Swiss Alps at the end of January to pay extortionary prices for second-rate hotels to attend a crowded conference seems preposterous. But after 14 years, I keep coming back to the World Economic Forum.

There are many Davoses. There is the official Forum of round-table debates where politicians, business leaders, academics and journalists argue about world problems. Then there is the forum of private meetings: off-the-record dialogues and negotiations for major business and political deals. It was here that the concept of NAFTA was born in 1989. There is also the paradise of business and political networking that often leads to new opportunities.

The 2008 Forum was dominated by fears of a U.S. recession and announcements by financial institutions of billion-dollar losses. But the official roundtables still covered an encyclopedic range of subjects. In the forum I participated in, I debated the consequences of the information revolution on traditional media, the reasons for poverty in Latin America and the short-term outlook for the Mexican economy. I also got to chat with Emilio Azcárraga Jean of Televisa and with master cellist Yo-Yo Ma.

Prominently present was Pedro Padilla, CEO of Grupo Salinas, a Davos veteran. I ran into him at a discussion table on the future of the cellular phone as an instrument of Internet communications. On the same day he had attended a session on the economic outlook of the world—he was concerned, like everyone else. His agenda of private meetings was full, which is a good sign for any business leader. Idalia Cruz, head of marketing at TV Azteca, was present as a recently designated Young Global Leader by the Forum. Carlos Mota, the tireless TV Azteca and Canal 40 business commentator, was also in attendance.

As always, I was relieved to be returning to Mexico after a week of Davos cold and snow. But I have enough stimulating ideas to last me at least until next year. The world’s most important summit of business, political and academic leaders is an appointment that no organization as diversified as Grupo Salinas can afford to miss.
March, 2008

Blackberry Pearl Harnesses Iusacell’s Superior 3G Network

The Blackberry Pearl has arrived in Mexico as the latest way to capture the advantages of Iusacell’s EVDO network.

With services such as IusaTV live television on 17 channels, Copiloto Ubicatel location service, and Iusacell’s BAM broadband wireless Internet connection, the combination of Blackberry and Iusacell is expected to be a strong success.

The Pearl is the only smartphone in the market that combines voice, high-speed data transmission, email and unmatched applications, all at a reasonable price.

Other services include UBICACEL, which allows the location of multiple handsets, a proven tool for coordination of multiple-person service teams.

The new handset was presented to local press in Mexico City last month at a gala event that included Gustavo Guevara, Director of 3G Application and Alexis Ellstein Weitz, Director of Mass Products.

Grupo Elektra’s Italika Motorcycle Line Revs Up

When Grupo Elektra introduced its Italika motorcycle line in 2005, few market watchers anticipated such a profound impact on Mexican transportation culture.

With a total of 14 models available at Elektra stores, Italika currently holds a 50% market share of motorcycle sales in Mexico.

Beginning fourth quarter of 2005, distribution of Elektra’s in-house branded bikes was nationwide, offering motorized transportation for the first time to a large segment of middle and low-income Mexican consumers. Mexican sales have been impressive, beginning with 30,000 bikes in 2005, then 130,000 in 2006. Last year, Elektra increased sales 58% to 206,000 motorcycles, and boosted its number of models 40%.

In line with the Grupo Salinas strategy of expanding goods and services throughout Latin America, Elektra also sold 1,300 motorcycles in Guatemala, Honduras and Peru in 2006, and 8,700 in 2007.
GROUP SALINAS Sponsors Top Athletes for Beijing 2008

Much the way that Grupo Salinas promotes excellence and teamwork with its employees, it promotes similar values with Mexico’s Olympic team.

With a monthly stipend to seven promising athletes, TV Azteca’s Channel Seven and Banco Azteca hopes to continue raising the bar of Mexico in international competitions.

One standout is Paola Espinosa. The 21 year old is a native of Baja California, and has been training since age 12.

In the last two years she has won a medal in every competition she has participated in. At the 2007 Pan-American Games in Rio de Janeiro, she was the most successful Mexican athlete, having won three golds and a silver medal. Her performance earned her the Premio Nacional del Deporte, the highest sports honor, which was presented by President Felipe Calderón.

Her string of successes has continued this year, having won a bronze medal at Beijing’s Diving World Cup in February. The field of the competition included the top ten divers in the world and the competition was held in the pool that will host the Olympics this summer.

NAMES & FACES
Gustavo Guzmán
CEO, Grupo Iusacell

Gustavo has an established track record within Grupo Salinas for forming teams of highly motivated people.

He started at Grupo Salinas in 1993 as CEO of Radio Cel, a pioneer communications services company for the group. One of the founding executives of TV Azteca, he was Executive Vice President of Sales and Local Stations for ten years. He has also held positions of Director of Human Resources and Director of the National Network.

His sales staff quickly gave TV Azteca a competitive advantage given its responsiveness, creativity and willingness to serve.

Gustavo has also been responsible for the telecommunications strategies since 2001, overseeing operations of both Movil@ccess and Todito.com.

As CEO of Grupo Iusacell, he successfully achieved the financial and operating restructuring of the company, where has once again built an exceptional sales and management team by combining some of Grupo Salinas’ most talented managers with the best-performing Iusacell and Unefon executives.
**Grupo Salinas Values in Action**

**Generosity**

Jorge Garralda • General Director  
• A Quien Corresponda

Jorge has been helping the community by using television to voice societal concerns since before the launch of TV Azteca. It all started with a camera in 1991 at TV Azteca precursor Imemision.

Back then it was a pull model, where viewers came to minimalist studios to voice concerns and complaints, with A Quien Corresponda giving a voice to citizens with problems that had been overlooked by local and federal authorities.

When a young entrepreneur named Ricardo Salinas produced the winning bid for TV Azteca in 1993, there was a question mark about what would become of Jorge’s public service programs.

“I had no idea whether Mr. Salinas would support our efforts and was ready to pack my bags,” said Jorge. “I quickly realized that Mr. Salinas was very concerned about social responsibility, but not in the sense of giving away trinkets. In the sense of ecology, congruency, in acts and actions, ethics.....”

The change for the program was dramatic. “Before it was, ‘please come,’ and then we changed that to ‘I’m there.’” A Quien Corresponda went from being a humble desk, to its own news team that brought cameras to see problems and document commitments throughout the country.

Aside from the media support for problems that affect viewers, the program provides contacts with specialized legal counsel to insure that rights are respected. Over the years A Quien Corresponda has also been an important facilitator of donations, both from and to viewers and to and from institutions. For example, the program has facilitated the donation of over 30,000 wheelchairs over the last 17 years.

It was from A Quien Corresponda that Fundación Azteca’s Juguetón was born. After collecting almost 20,000 toys for needy kids in 1995, the program has grown every year since. This year the program once again exceeded its goal and collected more than 15 million toys for distribution throughout Mexico.

Another program that Jorge is especially proud of is Gira Vive Sin Drogas. The program combines education and entertainment to give a message of living drug-free. The program, which began in 1998, has since delivered a powerful message to over 250,000 people in Mexico, and as of 2008 the tour has also been taken by Fundación Azteca America to the U.S. Latino community, with the first event in Phoenix last November.

“It obvious that our organization is much more than making money,” he added.
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