



# NET NEWS

HBC Interactive – 1415 N. Loop West, Ste 555 – Houston, TX 77008 – 713-407-5570, January 2001 **Es Lo Tuyo...**

## A Set of Non-Identical Twins

Follow shortly after the launch of the first local city guide for **Miami** in November, HBCi unveiled the next two Netmío.com city guides covering the cities of **Los Angeles** and **New York City** on December 15<sup>th</sup>. Log on for all the latest on what is going on in Hollywood or Rockefeller center.

Just as with all the Netmío.com sites visitors can jump to the best Hispanic radio stations in the city, find out info about what's going on around town and places to go, read local news and weather, chat with people in the local area, get free email, and much more. Check them out at: [http://city.netmio.com/city/los\\_angeles](http://city.netmio.com/city/los_angeles) or [http://city.netmio.com/city/new\\_york](http://city.netmio.com/city/new_york).



## On the \$ales Front

**Gary Stone's** crew in Los Angeles received several sales this month with the **Edward's Cinema**, **CommRad**, and **Aeroviajes.com** deals. **Jose Valle's** team in Dallas also closed a deal with **Dallas Parkland Hospital Systems**. **Ali Shepherd's** team in San Francisco signed a deal with **Promociones Parada** and Stephanie McNamara's crew in New York signed on **Diabetic Tussin**.

### National Sales:

**Salud.com**, a leading Hispanic focused Health web site, has signed an agreement to be our Health Channel provider on the new Netmío sites. **MGM Interactive** and the **Quaker Oats Aunt Jemima** deals were also closed this month. Congratulations to all!

## Netmío Rolls Out Miami Style

The office of the Miami HBC radio stations was the scene of the very first Netmío City Guide Roll Out. On December 6, 2000, Miami rolled out Netmío Miami in style. The event began with a computer game where players, who included personalities from **Radio Mambi**, **Salsa, Amor, 1140**, **Radio Mikimbin**, as well as the Sales Department, and several Program Directors, answered questions about the radio station sites and about the new Netmío Miami local city guide page in order to win raffle tickets. Players with correct answers were then able to be part of a raffle to win prizes. The day ended with a convocation speech given by **General Manager, Claudia Puig** followed by some Netmío cake and punch. Congratulations **Miami** for a job well done!



## Vicente Fox Live on Netmío.com

The president-elect of Mexico, **Vicente Fox**, was seen live on all the HBC radio station websites giving his inaugural address live on December 1, 2000. **Netmío.com** was the only major United States Hispanic focused website that webcast the event



live. The address was seen live all day from 9 a.m.CST to 8 p.m. Central time directly from Mexico. Over 1,300 people logged on to see this historic event.

## “Estas Son Las Mañanitas de Enero”

Happy Birthday to: **Alma Rocha** (1/11), **Jeffrey Lai** (1/1), **David Lopez** (1/5)

## Join us in Welcoming

**David Lopez** the new **Content Producer** in Los Angeles... **Sandra Puente**, HBCi Executive Sales Assistant ...and in Miami, **Jennifer Douglas**, the HBCi Content Department Assistant and **Jorge Martinez** the new **Content Producer** in Miami.



**Happy New Year From HBCi!**



# A Note From The Managing Director...

## The Internet Year in Review

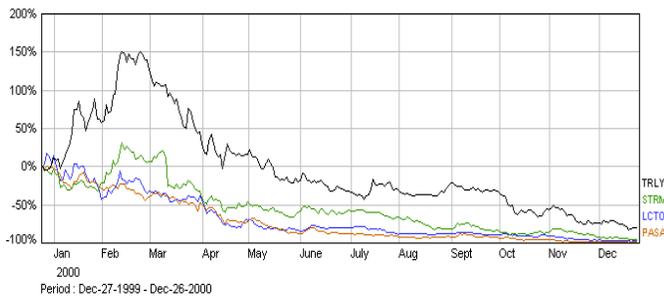
On December 31, 1999, the technology and dotcom stock heavy, **NASDAQ** Composite Index closed the year at 4,069 having started the year at 2,192. The biggest worry on anyone's mind at that time, other than making it to the New Year's Eve Party on time, was the dreaded Year 2000 computer bug. Some people expected total infrastructure failures and mass chaos. Of course, nothing of the sort happened.

On January 10, 2000, many people were surprised to see **America Online** and **Time Warner** announce their merger, valued then at \$350 billion, to create the world's largest Internet media and communications company. Thus giving the relatively new Internet company, AOL, access to long standing brands such as *Time*, Warner Bros, *Sports Illustrated*, *People*, HBO, TBS, CNN, *Fortune*, and many more.

In the first three months of Year 2000, a record 141 companies went public, nearly doubling 1999's total of 72 new issues. Many of these were either dotcom or related Internet companies. The **NASDAQ** soared to 5,132 in mid-March. **Terra.com**, saw its shares rise to a mid-February price of \$145 creating a market valuation in excess of \$19 billion. Likewise, **StarMedia**, rose to a March high of \$61 and was then valued at over \$4 billion. And **El Sitio**, another Latin America focused dotcom portal, rose to a high of almost \$45 for a valuation of over \$1.9 billion.

On April 3<sup>rd</sup>, 2000, the U.S. Justice Department ruled that **Microsoft** violated the Sherman Anti-Trust Act by attempting to control the web browser market and was soon to recommend that the company be broken into two parts. The ruling caused the **NASDAQ** to lose over 300 points. On April 14<sup>th</sup>, the major indexes endured their biggest point drops ever. The **NASDAQ** dropped 355 points and the **Dow** sank 617 points. This marked the beginning of sell off in tech stocks as well the end of inflated valuations of most Internet companies.

In the months following, investors who became increasingly nervous of the valuations of Internet companies, which had yet to show a profit and were losing money quickly, began dumping the stocks rapidly. The Internet bubble had burst. New IPOs were either postponed, cancelled, or did not rise when they were released. Many dotcoms were forced to close their doors as their funding and revenues dried up.



Even with merging in October with **Lycos**, the fourth most visited network of web sites, **Terra** saw its valuation erode to \$5 billion. **StarMedia** went down to a \$1.50 share price making it worth just over \$100 million and **El Sitio** dropped to \$0.50 with a valuation of \$25million. Another casualty, **QuePasa.com** announced on December 27<sup>th</sup> that it will begin liquidating its assets and closing the company since it was unsuccessful in finding a buyer.

also unveiled their Internet product on June 23<sup>rd</sup>. **HBC** continued development of its next phase in its Internet strategy that culminated with launch of the local city guides under the name **Netmío.com** for the cities of Miami, New York and Los Angeles.

In the meantime, **HBC** launched its first version of the network of radio station websites on April 30<sup>th</sup>. **Univision**

The coming year promises to continue to be tough on Internet companies as many run out of operating capital before turning a profit. It is expected that the surviving next wave of dotcom companies will be those that do not have to go to public markets to raise capital which is why those dotcom's which are a part of a stronger bricks and mortar company will fair better. This is one of the greatest advantages that **Netmío.com** has over pure-play Internet companies. However, there remains stiff competition with others that have similar advantage such as **Univision**, **Terra**, and **Todito.com**.

**HBC** will continue the roll out of local city guides for each market it has radio stations by the end of the first quarter of 2001. We will also be developing new features, tools, and content pages for **Netmío.com** and the next generation of radio station web sites. We will also be focusing heavily on utilizing our existing promotion and sales infrastructure to make **Netmío.com** a household name with our audience and to create value for our advertisers and listeners. We thank all in advance who will help make this a success and in the long run will return shareholder value from this Internet initiative. **Here's wishing you all a Happy New Year!**

Sincerely,



