

ENTRAVISION COMMUNICATIONS CORP
Form 8-K
July 27, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d)

of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 25, 2005

ENTRAVISION COMMUNICATIONS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-15997
(Commission File Number)

95-4783236
(IRS Employer

Identification No.)

2425 Olympic Boulevard, Suite 6000 West, Santa Monica, California 90404

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (310) 447-3870

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement

On July 25, 2005, Entravision Communications Corporation (the *Company*) entered into an Asset Purchase Agreement (the *Agreement*) with Univision Communications Inc. (*Univision*) regarding the sale of the *Company*'s radio stations KBRG(FM) and KLOK(AM), which serve the San Francisco/San Jose, California markets, and other assets related to the operation of those stations, to Univision for \$90 million (the *Purchase Price*). Univision is also assuming certain liabilities relating to the acquired assets.

Univision will pay at least \$60 million of the *Purchase Price* in the form of shares of the *Company*'s Class U common stock held by Univision, based on the volume weighted average price of the *Company*'s Class A common stock during the ten-day trading period preceding the closing date. The balance of the *Purchase Price* will be paid either in cash or additional shares of Entravision's Class U common stock valued in the same manner as described in the preceding sentence.

The closing of the transaction is subject to various conditions, including (i) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, (ii) approval of the transfer of the station licenses by the Federal Communications Commission and (iii) other closing conditions customary for transactions of this nature. The *Agreement* also contains representations and warranties, as well as indemnification provisions, customary for transactions of this nature.

The *Company* currently anticipates that the closing of the transaction will occur in the first quarter of 2006.

On July 26, 2005, the *Company* issued a press release announcing that it entered into the *Agreement*, a copy of which is attached to this Report as Exhibit 99.1.

Relationship with Univision. Univision currently owns approximately 30% of the *Company*'s common stock on a fully-converted basis. As part of its acquisition of Hispanic Broadcasting Corporation in 2003, Univision reached an agreement with the Department of Justice (DOJ) to reduce its ownership stake in Entravision to 15% by March 26, 2006. This transaction is currently expected to reduce Univision's percentage ownership in Entravision to approximately 20%.

Pursuant to the *Company*'s Univision network affiliation agreements, Univision acts as the *Company*'s national advertising sales representative for the *Company*'s television stations affiliated with Univision's primary network and Univision's TeleFutura Network.

The *Company* is also party to a marketing and sales agreement with Univision that expires in 2021. Under that agreement, the *Company* manages the marketing and sales operations of Univision-owned TeleFutura affiliates in six markets—Albuquerque, Boston, Denver, Orlando, Tampa and Washington, D.C.—where the *Company* currently owns and operates a Univision affiliate.

Item 9.01 Financial Statements and Exhibits

(a) Not Applicable.

(b) Not Applicable.

(c) Exhibits

99.1 Press release issued by Entravision Communications Corporation on July 26, 2005.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENTRAVISION COMMUNICATIONS CORPORATION

Date: July 27, 2005

By: /s/ Walter F. Ulloa

Walter F. Ulloa
Chairman and Chief Executive Officer

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EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Press release issued by Entravision Communications Corporation on July 26, 2005.