

ENTRAVISION COMMUNICATIONS CORP
Form 10-Q
August 11, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 1-15997

ENTRAVISION COMMUNICATIONS CORPORATION

(Exact name of registrant as specified in its charter)

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Delaware **95-4783236**
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)
2425 Olympic Boulevard, Suite 6000 West

Santa Monica, California 90404

(Address of principal executive offices) (Zip Code)

(310) 447-3870

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 31, 2008, there were 51,286,904 shares, \$0.0001 par value per share, of the registrant's Class A common stock outstanding, 22,887,433 shares, \$0.0001 par value per share, of the registrant's Class B common stock outstanding and 15,652,729 shares, \$0.0001 par value per share, of the registrant's Class U common stock outstanding.

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ENTRA VISION COMMUNICATIONS CORPORATION
FORM 10-Q FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2008

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Forward-Looking Statements

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words may, could, will, estimate, intend, continue, believe, expect or anticipate or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this annual report. Except for our ongoing obligation to disclose material information as required by the federal securities laws, we do not intend, and undertake no obligation, to update any forward-looking statement.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. Some of the key factors impacting these risks and uncertainties include, but are not limited to:

risks related to our history of operating losses, our substantial indebtedness or our ability to raise capital;

risks related to our significant amount of goodwill and other intangible assets;

provisions of the agreements governing our debt instruments that may restrict the operation of our business;

cancellations or reductions of advertising, whether due to a general economic downturn or otherwise;

our relationship with Univision Communications Inc., or Univision;

the overall success of our acquisition strategy, which includes developing media clusters in key U.S. Hispanic markets, and the integration of any acquired assets with our existing business;

the impact of rigorous competition in Spanish-language media and in the advertising industry generally;

industry-wide market factors and regulatory and other developments affecting our operations; and

For a detailed description of these and other factors that could cause actual results to differ materially from those expressed in any forward-looking statement, please see the section entitled Risk Factors, beginning on page 27 of our Annual Report on Form 10-K for the year ended December 31, 2007.

Table of Contents**PART I****FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****ENTRAVISION COMMUNICATIONS CORPORATION****CONSOLIDATED BALANCE SHEETS****(In thousands, except share and per share data)**

	June 30, 2008 (Unaudited)	December 31, 2007
ASSETS		
Current assets		
Cash and cash equivalents	\$ 117,105	\$ 86,945
Trade receivables, net of allowance for doubtful accounts of \$6,040 and \$5,771	55,963	55,986
Assets held for sale		102,974
Deferred income taxes	26,248	26,248
Prepaid expenses and other current assets (including related parties of \$274 and \$274)	6,810	8,158
Total current assets	206,126	280,311
Property and equipment, net	92,891	92,959
Intangible assets subject to amortization, net (included related parties of \$31,321 and \$32,482)	33,238	34,560
Intangible assets not subject to amortization	766,118	778,427
Goodwill	179,360	168,135
Other assets	14,831	11,756
Total assets	\$ 1,292,564	\$ 1,366,148
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt (including related parties of \$1,000 and \$1,000)	\$ 1,004	\$ 1,076
Advances payable, related parties	118	118
Accounts payable and accrued expenses (including related parties of \$3,402 and \$4,595)	34,050	57,944
Liabilities associated with assets held for sale		5,772
Total current liabilities	35,172	64,910
Long-term debt, less current maturities (including related parties of \$2,000 and \$3,000)	472,000	483,002
Other long-term liabilities	29,557	22,383
Deferred income taxes	139,646	138,043
Total liabilities	676,375	708,338
Commitments and contingencies (note 4)		
Stockholders' equity		
Class A common stock, \$0.0001 par value, 260,000,000 shares authorized; shares issued and outstanding 2008 52,078,804; 2007 57,740,370	6	6
Class B common stock, \$0.0001 par value, 40,000,000 shares authorized; shares issued and outstanding 2008 22,887,433; 2007 22,887,433	2	2
Class U common stock, \$0.0001 par value, 40,000,000 shares authorized; shares issued and outstanding 2008 15,652,729; 2007 17,152,729	2	2

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Additional paid-in capital	947,250	991,908
Accumulated deficit	(331,070)	(334,108)
	616,190	657,810
Treasury stock, Class A common stock, \$0.0001 par value, 2008 7,814,281; 2007 2,060,001 shares	(1)	
Total stockholders' equity	616,189	657,810
Total liabilities and stockholders' equity		