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UNITED PAN EUROPE COMMUNICATIONS NV
Form 8-K/A
February 20, 2002

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K/A

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): DECEMBER 7, 2001

UPC POLSKA, INC.	UNITED PAN-EUROPE COMMUNICATIONS N.V.
----- (Exact name of registrant as specified in its charter)	----- (Exact name of registrant as specified in its charter)
Delaware	The Netherlands
----- (State or Other Jurisdiction of Incorporation)	----- (State or Other Jurisdiction of Incorporation)
000-22877	000-25365
----- (Commission File Number)	----- (Commission File Number)
06-148715	98-0191997
----- (I.R.S. Employer Identification Number)	----- (I.R.S. Employer Identification Number)
4643 Ulster Street, Suite 1300, Denver, Colorado 80237	Boeing Avenue 53 1119 PE, Schiphol Rijk The Netherlands
----- (Address and zip code of principal executive offices)	----- (Address and zip code of principal executive offices)
(303) 770-4001	(31) 20-778-9840
----- (Registrant's telephone number, including area code)	----- (Registrant's telephone number, including area code)

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ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

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As reported on Current Report on Form 8-K, filed on December 21, 2001, on August 10, 2001, United Pan-Europe Communications N.V. (UPC), the parent company of UPC Polska, Inc. (the Company), and Canal+ Group (Canal+), the television and film division of Vivendi Universal S.A., announced the signing of definitive agreements to merge their respective Polish direct-to-home (DTH) satellite television platforms, as well as the Canal+ Polska premium channel, to form a common Polish DTH platform. The transactions contemplated by such agreements were consummated on December 7, 2001. Pursuant to Item 7(a)(4) of Form 8-K, this Form 8-K/A amends the Current Report filed on Form 8-K on December 21, 2001, to include the pro forma financial information required by Item 7(b) of Form 8-K. As part of the transactions, the Company, through its affiliate Polska Telewizja Cyfrowa TV Sp. z o.o. (PTC), contributed its Polish and United Kingdom DTH assets to Telewizyjna Korporacja Partycypacyjna S.A. (TKP), the Polish subsidiary of Canal+, and agreed to fund 30.0 million euros (approximately \$27.7 million as at December 7, 2001) in the form of a shareholder loan to TKP. The Company received 150.0 million euros (approximately \$138.8 million as of December 7, 2001) in cash and PTC received a 25% ownership interest in TKP upon completion of certain Polish legal formalities in connection with the issuance of new TKP shares. Through a contractual arrangement, the Canal+ Polska premium channel will be available on the Company's cable network.

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ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(b) Pro forma financial information

The following unaudited pro forma condensed consolidated financial statements, which reflect the consolidated financial position of the Company assuming that the disposition of the Company's Polish and United Kingdom DTH assets had occurred on September 30, 2001, and the consolidated results of operations of the Company assuming that the disposition had occurred as of January 1, 2001 and January 1, 2000, respectively, are filed with this report:

Pro forma Unaudited Condensed Consolidated Balance Sheet as of September 30, 2001,

Pro forma Unaudited Condensed Consolidated Statement of Operations for the nine months ended September 30, 2001,

Pro forma Unaudited Condensed Consolidated Statement of Operations for the Year ended December 31, 2000,

Notes to Pro forma Unaudited Condensed Consolidated Financial Statements.

The following unaudited pro forma financial information should be read in conjunction with the consolidated financial statements and related footnotes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2000, and Quarterly Report on Form 10-Q for the quarter ended September 30, 2001. The following pro forma information is presented for illustrative purposes only and is not necessarily indicative of future operating results or financial position.

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UPC POLSKA, INC.
PRO FORMA UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS
OF SEPTEMBER 30, 2001
ASSETS

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	Historical -----	Disposition -----	Pro forma adjustme -----
	(in thousands)		
Current assets:			
Cash and cash equivalents	\$ 9,922	\$ (31,930) a, d	\$ 137,4
Trade accounts receivable, net	10,919	(3,710) a	
Programming and broadcast rights	4,364	-	(4,3
VAT recoverable	1,001	(416) a	
Prepayments	4,760	(3,822) a	
Due from UPC affiliates	28,879	(8,340) a	
Other current assets	989	138,907 a	(129,5
	-----	-----	-----
Total current assets	60,834	90,689	3,4
	-----	-----	-----
Property, plant and equipment:			
Cable television systems assets	156,619	-	
DTH, transmission and production equipment	149,732	(149,732) a -	
Construction in progress	3,961	-	1
Vehicles	2,340	(1,309) a	
Other	27,457	(15,514) a	10,0
	-----	-----	-----
	340,109	(166,555)	10,2
Less accumulated depreciation	(101,612)	57,410 a	
	-----	-----	-----
Net property, plant and equipment	238,497	(109,145)	10,2
	-----	-----	-----
Inventories for construction	5,145	(112) a	
Intangibles, net	821,131	(467,118) a, d	1,0
Investments in affiliated companies	14,622	59,540 a	
	-----	-----	-----
Total assets	\$1,140,229	\$ (426,141)	\$ 14,7
	=====	=====	=====

See accompanying notes to pro forma unaudited condensed consolidated financial information.

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UPC POLSKA, INC.
PRO FORMA UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS
OF SEPTEMBER 30, 2001 (CONTINUED)
LIABILITIES AND STOCKHOLDER'S EQUITY

	Historical -----	Disposition -----	Pro forma adjustme -----
	(in thousands)		
Current liabilities:			
Accounts payable and accrued expenses	\$ 54,267	\$ (16,567) a	\$ 31,7
Due to UPC	7,978	(169) a	
Accrued interest	595	-	

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Deferred revenue	6,257	(3,756) a	
	-----	-----	
Total current liabilities	69,097	(20,492)	31,7
	-----	-----	
Long-term liabilities:			
Notes payable and accrued interest to UPC	442,033	(111) a	(3
Notes payable	408,459	-	
Other long term liabilities	951	(951) a	
	-----	-----	
Total liabilities	920,540	(21,554)	31,4
	-----	-----	
Commitments and contingencies (note 9)			
Stockholder's equity:			
Common stock, \$.01 par value; 1,000 shares authorized, shares issued and outstanding 1,000 as of September 30, 2001 and December 31, 2000	-	-	
Paid-in capital	911,562	-	
Accumulated other comprehensive loss	(83,049)	44,619 a	
Accumulated deficit	(608,824)	(449,211) a, d	(16,65
	-----	-----	
Total stockholder's equity	219,689	(404,592)	(16,65
	-----	-----	
Total liabilities and stockholder's equity/(deficiency)	\$1,140,229	\$ (426,146)	\$ 14,79
	=====	=====	=====

See accompanying notes to pro forma unaudited condensed consolidated financial information.

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UPC POLSKA, INC.
PRO FORMA UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE
NINE MONTHS ENDED SEPTEMBER 30, 2001

	Historical	Disposition	Pro form adjustme
	-----	-----	-----
	(in thousands)		
Revenues	\$ 107,612	\$ (19,704) e	\$ (28,545
Operating expenses:			
Direct operating expenses	85,450	(4,535)	(59,696
Selling, general and administrative expenses	47,717	(18,570) e	
Depreciation and amortization	96,334	(56,257) e	
Impairment of DTH equipment	19,491	(19,491)	
	-----	-----	
Total operating expenses	248,992	(98,853)	(59,6

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Operating loss	(141,380)	79,149	31,1
Interest and investment income	833	(297) e	2,9
Interest expense	(70,350)	265 e	
Equity in losses of affiliated companies	(723)	-	(38,9
Foreign exchange gain/(loss), net	(3,135)	(32,852) e	
Non-operating income/(expense), net	(919)	799 e	
Gain/(loss) on disposition	-	(460,437) e	
Loss before income taxes and minority interest	(215,674)	(413,373)	(4,8
Income tax expense	(162)	-	
Net loss applicable to holders of common stock	\$ (215,836)	\$ (413,373)	\$ (4,8
Basic and diluted Loss per common share	N/A	N/A	N/A

See accompanying notes to pro forma unaudited condensed consolidated financial information.

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UPC POLSKA, INC.
 PRO FORMA UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR
 THE YEAR ENDED DECEMBER 31, 2000

	Historical	Disposition	Pro form adjustme
	(in thousands)		
Revenues	\$ 133,583	\$ (25,755) e	\$ (30,724
Operating expenses:			
Direct operating expenses	132,154	705 e	(76,082
Selling, general and administrative expenses	63,156	(30,202) e	
Depreciation and amortization	109,503	(63,399) e	
Impairment of DTH equipment	7,734	(7,734) e	
Total operating expenses	312,547	(100,630)	(76,082
Operating loss	(178,964)	74,875	45,35
Interest and investment income	1,329	(605) e	3,96
Interest expense	(73,984)	537 e	
Equity in losses of affiliated companies	(895)	-	(36,20
Foreign exchange gain/(loss), net	3,397	(28,721) e	

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Non-operating income/(expense), net	591	(603) e	
Gain/(loss) on disposition	-	(471,022) e	
	-----	-----	-----
Loss before income taxes and minority interest	(248,526)	(425,539)	13,11
Income tax expense	(285)	183 e	
	-----	-----	-----
Net loss applicable to holders of common stock	\$ (248,811)	\$ (425,356)	\$ 13,11
	=====	=====	=====
Basic and diluted Loss per common share	N/A	N/A	N/A
	=====	=====	=====

See accompanying notes to pro forma unaudited condensed consolidated financial information.

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UPC POLSKA, INC.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2001, presents the consolidated financial position of the Company assuming that the disposition of the Company's DTH segment had occurred on September 30, 2001. The unaudited pro forma condensed consolidated statements of operations for the nine months ended September 30, 2001, and the year ended December 31, 2000, present the consolidated results of operations of the Company assuming that the disposition had occurred as of January 1, 2001 and January 1, 2000, respectively. The unaudited pro forma financial information is based on assumptions and does not purport to be indicative of the results of operations or the financial position that would have actually occurred if the disposition had been consummated on the dates indicated. The pro forma financial information is based on the Company's previously reported historical financial statements and adjusted for the assumptions and estimates described in the accompanying Notes to the Pro Forma Unaudited Condensed Consolidated Financial Statements.

Pro Forma Adjustments

The following notes describe the adjustments included in the accompanying financial statements:

Balance Sheet

a. Adjustment to reflect (i) the estimated proceeds of \$59.5 million being the fair value of the 25% interest in TKP, (ii) the elimination of assets and liabilities sold in the disposition, (iii) the estimated net effect of the restructuring of balances receivable from disposed entities of \$240.9 million, and (iv) the accrued professional expenses and local tax paid in connection to the disposition of \$8.1 million.

b. Adjustments to reflect the estimated accrued cost associated with: (i) the restructuring of channel agreements of \$2.5, closure of sport channel of \$13.1 million, (iii) restructuring of the management of \$0.6 million, (iv) vacant property of \$0.5 million, (v) and the goodwill write off amounting to \$221.9

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million.

c. Adjustments to reflect the reallocation of: (i) leasehold improvements and intangibles from DTH segment to Cable segment of \$6.3 and \$1.0 million, respectively and (ii) DTH reception systems from DTH segment to Programming segment of \$3.9 million.

d. Cash proceed form the settlement of loan receivable from DTH segment of \$137.4, cash contribution into TKP of (Euro)million (\$27.5 million, as of September 30, 2001).

Income Statement

e. Adjustments to reflect the estimated loss on the disposition.

f. Use of the cash proceed from the repayment of the loan receivable of \$109.9 million, and loss attributable to the Company's minority interest in TKP.

g. Adjustment to reflect the decrease in revenue and direct cost in programming segment resulting from reduced level of operation.

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(c) Exhibits

Exhibit Number	Description
2.1	Closing Agreement, dated as of December 7, 2001, by and among UPC, Canal+, the Company, PTC and TKP.*
2.2	Shareholders Agreement, dated August 10, 2001, by and among UPC, PTC, Canal+ and Polcom Invest S.A.*
2.3	Contribution and Subscription Agreement, dated as of August 10, 2001, by and among UPC, Canal+, the Company, PTC and TKP.*

* Previously filed on December 21, 2001 as an exhibit to Form 8-K.

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.

Date: February 20, 2002

UPC POLSKA, INC.

By: /s/ SIMON BOYD

Name: Simon Boyd
Title: Chief Executive Officer

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UNITED PAN-EUROPE COMMUNICATIONS N.V.

By: /s/ ANTON A.M. TUIJTEN

Name: Anton A.M. Tuijten
Title: Member of the Board of Management
and General Counsel