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FCC GRANTS CONDITIONED APPROVAL OF UNIVISION/HBC MERGER

Company Must Comply with New Radio Ownership Limit Six Months from Effective Date

Washington, DC -- The Federal Communications Commission ("FCC") today granted a conditioned approval of the transfer of licenses held by Hispanic Broadcasting Corporation ("HBC") to Univision Communications, Inc. HBC and its subsidiaries currently own or control 68 full-service radio station licenses (18 AM and 50 FM) and 6 FM translator licenses, but no TV station licenses. Univision owns or controls 32 full-service broadcast TV licenses, but no radio licenses.

In reaching its decision, the FCC found that the merger will serve the public interest, convenience and necessity. Specifically, the FCC determined that the combined company would not violate the FCC's current Radio/TV Cross-Ownership Rule (nor does the transaction violate the FCC's recently adopted Cross-Media Limits regarding ownership of television and radio stations in the same market). However, the FCC did find that HBC's ownership of radio stations would violate the FCC's new Local Radio Ownership Rule in two markets, were the new rule effective. The FCC noted that the U.S. Court of Appeals for the Third Circuit stayed the effective date of the new rules on September 3, 2003. The FCC therefore ordered Univision/HBC to divest the radio stations in the two markets within six months of the Court lifting the stay, or when the new Local Radio Ownership Rule becomes effective.

The FCC said that the transaction would not adversely affect competition or diversity in any media market. The FCC record showed that Univision's TV stations and HBC's radio stations do not compete in the same product market. The FCC stated that the wide variety of programming alternatives available to Spanish-speaking audiences; the ease of entry into the Spanish-language format; and the viewing patterns of Hispanics do not indicate that the Hispanic or Spanish-speaking audience constitutes a separate, insular "diversity" or competition market. The FCC noted that Spanish speakers likely have more media options available to them today than ever in this country's history.

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Univision currently has an attributable interest in Entravision Communications Corporation, which owns and controls 18 full-service television stations and 52 full-service radio stations. The FCC stated that Univision pledged to convert its voting stock interest in Entravision into a non-attributable, nonvoting stock interest prior to consummation of the transaction. The FCC further noted that, on March 26, 2003, the U.S. Department of Justice filed a proposed Consent Decree whereby the DOJ stated that it would not oppose the merger if (a) Univision's interest in Entravision were converted into a new class of non-voting Entravision stock that has no voting rights and no rights with respect to the Entravision Board of Directors; (b) Univision's total equity interest in Entravision were reduced to 10% over the next 6 years; and (c) certain nonvoting shareholder approval rights associated with the new class of stock were removed. The FCC, therefore, conditioned its approval of the applications upon the representations made by Univision regarding its post-consummation interest in Entravision, and upon notification of the FCC should the Consent Decree expire, terminate, or otherwise be amended.

Clear Channel Communications, which owns 1,200 full-service radio stations, will have a small 3.66% post-merger voting stock interest in Univision. The FCC determined that the transaction – which will result in Clear Channel having a lower percentage of ownership in HBC than it has today – will ameliorate, not exacerbate, any competitive problems that may currently exist.

Action by the Commission, September 8, 2003, by Memorandum Opinion and Order (FCC 03-218). Chairman Powell, Commissioners Abernathy and Martin. Commissioners Copps and Adelstein dissenting and issuing a joint statement.

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