

PRIMEDIA INC  
Form 8-K  
November 15, 2005

# 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): **November 15, 2005**

### PRIMEDIA Inc.

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other Jurisdiction of  
Incorporation or Organization)

**1-11106**  
(Commission  
File Number)

**13-3647573**  
(I.R.S. Employer  
Identification No.)

**745 FIFTH AVENUE, NEW YORK, NEW YORK**  
(Address of principal executive offices)

**10151**  
(Zip Code)

Registrant's telephone number, including area code **(212) 745-0100**

**Item 1.01. Entry into a Material Definitive Agreement**

On November 15, 2005, PRIMEDIA Inc. ( PRIMEDIA ) announced that it has entered into an agreement to purchase a majority stake in Automotive.com, Inc. (the Company ). The Company and its related websites are averaging 34 million page views and 12 million visitors per month. For the 2004 calendar year, the Company had revenues of \$26.1 million and earnings before interest, taxes, depreciation, amortization and payments to shareholders of \$7.2 million.

The purchase price for the majority interest is \$72,500,000 in cash for an initial 80% stake plus the contribution of certain PRIMEDIA assets associated with its 55 automotive internet websites. PRIMEDIA will acquire the remaining 20% no later than early 2010 for an additional purchase price based on the Incremental EBITDA (as such term is defined) of the Company and the Combined EBITDA (as such term is defined) as follows: (a) half (0.5) times the Combined EBITDA if it is \$12,000,000 or below, (b) four (4.0) times the Incremental EBITDA if the Combined EBITDA is between \$12,000,000 and \$82,000,000 or (c) four and a half (4.5) times the Incremental EBITDA if the Combined EBITDA is greater than \$82,000,000. The terms Combined EBITDA and Incremental EBITDA shall mean, respectively, the EBITDA in the preceding year generated by the Company including the operation of the Contributed Assets, and the difference between the Combined EBITDA and \$12,000,000. EBITDA for purposes of the transaction means, generally, for any calendar year, aggregate net revenues less all operating expenses incurred in such calendar year, but before any provision for (i) interest income or expense, (ii) federal, state, local or other taxes on income or for federal, state or local income tax benefits or (iii) depreciation or amortization, including amortization of intangible assets. The purchase of the remaining 20% will be triggered if, among other things, Josh Speyer, the current Chief Executive Officer of the Company, elects to leave or is terminated for cause.

PRIMEDIA will provide on a timely basis such additional information as required under Item 2.02 of Form 8-K.

**Item 9.01. Financial Statements and Exhibits**

(c) Exhibits

Exhibit 99.1: Press Release of PRIMEDIA Inc., dated November 15, 2005.

**SIGNATURES**

Edgar Filing: PRIMEDIA INC - Form 8-K

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 thereunto duly authorized.

**PRIMEDIA Inc.**  
(Registrant)

*Date:*        *November 15, 2005*

*/s/ Christopher A. Fraser*  
*Christopher A. Fraser*  
*General Counsel and Secretary*

**INDEX TO EXHIBITS**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release of PRIMEDIA Inc., dated November 15, 2005