

Clear Channel Outdoor Holdings, Inc.  
Form 10-Q  
May 04, 2016

**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 March 31, 2016

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

**001 32663**

**CLEAR CHANNEL OUTDOOR HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

**86-0812139**

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

200 East Basse Road, Suite 100

78209

Delaware

86-0812139 1

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San Antonio, Texas

(Zip Code)

(Address of principal executive offices)

(210) 832-3700

(Registrant's telephone number, including area code)

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 2, 2016
----- Class A Common Stock, \$.01 par value	----- 46,618,104
Class B Common Stock, \$.01 par value	315,000,000



**CLEAR CHANNEL OUTDOOR HOLDINGS, INC.**

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# **PART I – FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**CONSOLIDATED BALANCE SHEETS  
CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND  
SUBSIDIARIES**



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(In thousands, except share data)

	March 31, 2016 (Unaudited)	December 31, 2015
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 489,641	\$ 412,743
Accounts receivable, net of allowance of \$27,687 in 2016 and \$25,348 in 2015	625,713	697,583
Prepaid expenses	148,272	127,730
Assets held for sale	55,159	295,075
Other current assets	40,118	34,566
<b>Total Current Assets</b>	<b>1,358,903</b>	<b>1,567,697</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Structures, net	1,350,399	1,391,880
Other property, plant and equipment, net	227,696	236,106
<b>INTANGIBLE ASSETS AND GOODWILL</b>		
Indefinite-lived intangibles	961,540	971,327
Other intangibles, net	333,902	342,864
Goodwill	749,928	758,575
<b>OTHER ASSETS</b>		
Due from iHeartCommunications	640,089	930,799
Other assets	116,927	107,540
<b>Total Assets</b>	<b>\$ 5,739,384</b>	<b>\$ 6,306,788</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 83,851	\$ 100,210
Accrued expenses	458,650	507,665
Dividends payable	-	217,017
Deferred income	119,092	91,411
Current portion of long-term debt	4,594	4,310
<b>Total Current Liabilities</b>	<b>666,187</b>	<b>920,613</b>
Long-term debt	5,108,621	5,106,513
Deferred tax liability	660,936	608,910
Other long-term liabilities	244,060	240,419
Commitments and Contingent liabilities (Note 4)		
<b>SHAREHOLDERS' DEFICIT</b>		
Noncontrolling interest	191,606	187,775
Preferred stock, \$.01 par value, 150,000,000 shares authorized, no shares issued and outstanding	-	-
Class A common stock, \$.01 par value, 750,000,000 shares authorized, 47,062,114 and 46,661,114 shares issued in 2016 and 2015, respectively	471	467
Class B common stock, \$.01 par value, 600,000,000 shares authorized, 315,000,000 shares issued and outstanding	3,150	3,150
Additional paid-in capital	3,423,014	3,961,515
Accumulated deficit	(4,128,537)	(4,268,637)
Accumulated other comprehensive loss	(427,024)	(451,833)
Cost of shares (453,262 shares in 2016 and 233,868 shares in 2015) held in treasury	(3,100)	(2,104)
<b>Total Shareholders' Deficit</b>	<b>(940,420)</b>	<b>(569,667)</b>
<b>Total Liabilities and Shareholders' Deficit</b>	<b>\$ 5,739,384</b>	<b>\$ 6,306,788</b>





## **See Notes to Consolidated Financial Statements**



**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES**

**(UNAUDITED)**

*(In thousands, except per share data)*

	Three Months Ended	
	March 31,	
	2016	2015
Revenue	\$ 590,721	\$ 615,043
Operating expenses:		
Direct operating expenses (excludes depreciation and amortization)	343,694	362,971
Selling, general and administrative expenses (excludes depreciation and amortization)	126,801	127,130
Corporate expenses (excludes depreciation and amortization)	28,239	28,753
Depreciation and amortization	85,395	94,094
Other operating income (expense), net	284,774	(5,444)
Operating income (loss)	291,366	(3,349)
Interest expense	93,873	89,416
Interest income on Due from iHeartCommunications	12,713	15,253
Equity in earnings (loss) of nonconsolidated affiliates	(415)	522
Other income (expense), net	(5,803)	19,938
Income (loss) before income taxes	203,988	(57,052)
Income tax benefit (expense)	(62,912)	24,099
Consolidated net income (loss)	141,076	(32,953)
Less amount attributable to noncontrolling interest	976	565
Net income (loss) attributable to the Company	\$ 140,100	\$ (33,518)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	27,264	(81,487)
Unrealized holding gain (loss) on marketable securities	(36)	822
Other adjustments to comprehensive loss	-	(1,154)
Other comprehensive income (loss)	27,228	(81,819)
Comprehensive income (loss)	167,328	(115,337)
Less amount attributable to noncontrolling interest	2,419	2,299
Comprehensive income (loss) attributable to the Company	\$ 164,909	\$ (117,636)
Net income (loss) attributable to the Company per common share:		
Basic	\$ 0.39	\$ (0.09)
Weighted average common shares outstanding –		
Basic	359,915	359,093
Diluted	\$ 0.39	\$ (0.09)
Weighted average common shares outstanding – Diluted	360,904	359,093