

Clear Channel Outdoor Holdings, Inc.  
Form 10-Q  
November 07, 2013

**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 September 30, 2013

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 32663**

**CLEAR CHANNEL OUTDOOR HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**86-0812139**

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

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200 East Basse Road

78209

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 October 31,
2013	

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Class A Common Stock, \$.01 par value	43,556,018
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

CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND  
SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

<i>(In thousands)</i>	September 30, 2013 (Unaudited)	December 31, 2012
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 418,593	\$ 561,979
Accounts receivable, net	703,932	754,658
Prepaid expenses	141,114	151,597
Other current assets	62,702	41,112
<b>Total Current Assets</b>	<b>1,326,341</b>	<b>1,509,346</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Structures, net	1,778,064	1,890,693
Other property, plant and equipment, net	293,270	317,051
<b>INTANGIBLE ASSETS AND GOODWILL</b>		
Indefinite-lived intangibles	1,070,135	1,070,720
Other intangibles, net	500,234	557,478
Goodwill	860,296	862,248
<b>OTHER ASSETS</b>		
Due from Clear Channel Communications	944,628	729,157
Other assets	155,299	169,089
<b>Total Assets</b>	<b>\$ 6,928,267</b>	<b>\$ 7,105,782</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 73,810	\$ 95,515
Accrued expenses	520,165	538,499
Deferred income	128,561	107,034
Other current liabilities	45,080	60,950
Current portion of long-term debt	6,411	9,407
<b>Total Current Liabilities</b>	<b>774,027</b>	<b>811,405</b>
Long-term debt	4,933,496	4,935,388
Deferred tax liability	633,715	673,068
Other long-term liabilities	251,060	239,832
Commitments and contingent liabilities (Note 6)		
<b>SHAREHOLDERS' EQUITY</b>		
Noncontrolling interest	206,540	247,934
Class A common stock	435	424
Class B common stock	3,150	3,150
Additional paid-in capital	4,527,373	4,522,668
Accumulated deficit	(4,175,667)	(4,114,515)

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Accumulated other comprehensive loss	(224,864)	(212,599)
Cost of shares held in treasury	(998)	(973)
<b>Total Shareholders' Equity</b>	<b>335,969</b>	<b>446,089</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 6,928,267</b>	<b>\$ 7,105,782</b>

See Notes to Consolidated Financial Statements

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

<i>(In thousands, except per share data)</i>	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Revenue	\$ 723,013	\$ 731,141	\$ 2,140,094	\$ 2,143,750
Operating expenses:				
Direct operating expenses (excludes depreciation and amortization)	396,094	390,639	1,181,843	1,187,671
Selling, general and administrative expenses (excludes depreciation and amortization)	131,437	136,582	404,018	420,677
Corporate expenses (excludes depreciation and amortization)	29,719	28,820	91,435	86,223
Depreciation and amortization	98,344	100,352	296,237	292,357
Other operating income, net	6,604	42,397	12,404	49,146
Operating income	74,023	117,145	178,965	205,968
Interest expense	87,969	102,612	264,125	273,396
Interest income on Due from Clear Channel Communications	14,940	16,913	39,356	48,982
Loss on marketable securities	(18)	-	(18)	-
Equity in earnings (loss) of nonconsolidated affiliates	(645)	(234)	(961)	30
Other income (expense), net	1,445	1,825	228	(300)
Income (loss) before income taxes	1,776	33,037	(46,555)	(18,716)
Income tax benefit (expense)	10,214	(8,212)	3,126	(1,000)
Consolidated net income (loss)	11,990	24,825	(43,429)	(19,716)
Less amount attributable to noncontrolling interest	7,772	7,541	17,723	14,986
Net income (loss) attributable to the Company	\$ 4,218	\$ 17,284	\$ (61,152)	\$ (34,702)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	34,283	18,580	(10,853)	13,748
Unrealized gain (loss) on marketable securities	13	(1,087)	229	(1,077)
Other adjustments to comprehensive income (loss)	(1,432)	(688)	(2,430)	(534)
Other comprehensive income (loss)	32,864	16,805	(13,054)	12,137
Comprehensive income (loss)	37,082	34,089	(74,206)	(22,565)
Less amount attributable to noncontrolling interest	6,041	1,184	(789)	(551)
Comprehensive income (loss) attributable to the Company	\$ 31,041	\$ 32,905	\$ (73,417)	\$ (22,014)

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Net income (loss) attributable to the Company per common share:

Basic	\$ 0.01	\$ 0.05	\$ (0.18)	\$ (0.12)
Weighted average common shares outstanding – Basic	357,665	357,108	357,507	356,808
Diluted	\$ 0.01	\$ 0.05	\$ (0.18)	\$ (0.12)
Weighted average common shares outstanding – Diluted	359,011	357,547	357,507	356,808
Dividends declared per share	\$ -	\$ -	\$ -	\$ 6.08

See Notes to Consolidated Financial Statements

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**CLEAR CHANNEL OUTDOOR HOLDINGS, INC. AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CASH FLOWS****(UNAUDITED)***(In thousands)*

	Nine Months Ended September 30,	
	2013	2012
<b>Cash flows from operating activities:</b>		
Consolidated net loss	\$ (43,429)	\$ (19,716)
<b>Reconciling items:</b>		
Depreciation and amortization	296,237	292,357
Deferred taxes	(37,846)	(32,776)
Provision for doubtful accounts	3,441	4,507
Share-based compensation	5,647	9,016
Gain on sale of operating assets	(12,404)	(49,146)
Amortization of deferred financing charges and note discounts, net	6,402	8,448
Other reconciling items, net	2,318	(752)
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:		
(Increase) decrease in accounts receivable	49,340	(9)