

TWENTY-FIRST CENTURY FOX, INC.  
Form 10-Q  
November 04, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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, 2015

or

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 001-32352

TWENTY-FIRST CENTURY FOX, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation or Organization)

26-0075658  
(I.R.S. Employer  
Identification No.)

1211 Avenue of the Americas, New York, New York  
(Address of Principal Executive Offices)

10036  
(Zip Code)

Registrant's telephone number, including area code (212) 852-7000

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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

As of October 30, 2015, 1,170,751,942 shares of Class A Common Stock, par value \$0.01 per share, and 798,520,953 shares of Class B Common Stock, par value \$0.01 per share, were outstanding.

TWENTY-FIRST CENTURY FOX, INC.

FORM 10-Q

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TWENTY-FIRST CENTURY FOX, INC.

## UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	For the three months ended	
	September 30,	
	2015	2014
Revenues	\$ 6,077	\$ 7,887
Operating expenses	(3,673 )	(5,052 )
Selling, general and administrative	(889 )	(1,079 )
Depreciation and amortization	(128 )	(276 )
Equity earnings of affiliates	35	379
Interest expense, net	(295 )	(305 )
Interest income	9	14
Other, net	(83 )	35
Income from continuing operations before income tax expense	1,053	1,603
Income tax expense	(313 )	(503 )
Income from continuing operations	740	1,100
Loss from discontinued operations, net of tax	(3 )	(7 )
Net income	737	1,093
Less: Net income attributable to noncontrolling interests	(62 )	(56 )
Net income attributable to Twenty-First Century Fox, Inc. stockholders	\$ 675	\$ 1,037
Earnings per share data		
Income from continuing operations attributable to Twenty-First Century Fox, Inc. stockholders - basic and diluted	\$ 678	\$ 1,044
Weighted average shares:		
Basic	2,009	2,191
Diluted	2,012	2,195
Income from continuing operations attributable to Twenty-First Century Fox, Inc. stockholders per share - basic and diluted	\$ 0.34	\$ 0.48
Net income attributable to Twenty-First Century Fox, Inc. stockholders per share - basic and diluted	\$ 0.34	\$ 0.47

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.



## TWENTY-FIRST CENTURY FOX, INC.

## UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(IN MILLIONS)

	For the three months ended	
	September 30, 2015	2014
Net income	\$ 737	\$ 1,093
Other comprehensive loss, net of tax:		
Foreign currency translation adjustments	(144 )	(900 )
Losses on interest rate swap contracts	(5 )	-
Unrealized holding losses on securities	(4 )	(10 )
Benefit plan adjustments	4	6
Other comprehensive loss, net of tax	(149 )	(904 )
Comprehensive income	588	189
Less: Net income attributable to noncontrolling interests <sup>(a)</sup>	(62 )	(56 )
Less: Other comprehensive loss attributable to noncontrolling interests	-	182
Comprehensive income attributable to Twenty-First Century Fox, Inc. stockholders	\$ 526	\$ 315

<sup>(a)</sup> Net income attributable to noncontrolling interests includes \$28 million and \$24 million for the three months ended September 30, 2015 and 2014, respectively, relating to redeemable noncontrolling interests.

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

## TWENTY-FIRST CENTURY FOX, INC.

## CONSOLIDATED BALANCE SHEETS

(IN MILLIONS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	As of September 30, 2015 (unaudited)	As of June 30, 2015 (audited)
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 5,830	\$ 8,428
Receivables, net	6,034	5,912
Inventories, net	2,987	2,749
Other	342	287
<b>Total current assets</b>	<b>15,193</b>	<b>17,376</b>
<b>Non-current assets:</b>		
Receivables, net	386	394
Investments	4,398	4,529
Inventories, net	6,818	6,411
Property, plant and equipment, net	1,667	1,722
Intangible assets, net	6,263	6,320
Goodwill	12,514	12,513
Other non-current assets	758	786
<b>Total assets</b>	<b>\$ 47,997</b>	<b>\$ 50,051</b>
<b>Liabilities and Equity:</b>		
<b>Current liabilities:</b>		
Borrowings	\$ 244	\$ 244
Accounts payable, accrued expenses and other current liabilities	3,529	3,937
Participations, residuals and royalties payable	1,650	1,632
Program rights payable	1,112	1,001
Deferred revenue	457	448
<b>Total current liabilities</b>	<b>6,992</b>	<b>7,262</b>
<b>Non-current liabilities:</b>		
Borrowings	18,767	18,795
Other liabilities	3,089	3,105
Deferred income taxes	2,278	2,082

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Redeemable noncontrolling interests	616	621
Commitments and contingencies		
Equity:		
Class A common stock <sup>(a)</sup>	12	12
Class B common stock <sup>(b)</sup>	8	8
Additional paid-in capital	12,798	13,427
Retained earnings	4,182	5,343
Accumulated other comprehensive loss	(1,719 )	(1,570 )
Total Twenty-First Century Fox, Inc. stockholders' equity	15,281	17,220
Noncontrolling interests	974	966
Total equity	16,255	18,186
Total liabilities and equity	\$ 47,997	\$ 50,051

<sup>(a)</sup> Class A common stock, \$0.01 par value per share, 6,000,000,000 shares authorized, 1,177,531,042 shares and 1,239,971,838 shares issued and outstanding, net of 123,687,371 treasury shares at par as of September 30, 2015 and June 30, 2015, respectively.

<sup>(b)</sup> Class B common stock, \$0.01 par value per share, 3,000,000,000 shares authorized, 798,520,953 shares issued and outstanding, net of 356,993,807 treasury shares at par as of September 30, 2015 and June 30, 2015.

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.



TWENTY-FIRST CENTURY FOX, INC.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(IN MILLIONS)