

Nielsen Holdings N.V.
Form 10-Q
April 25, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2012

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 001-35042

Nielsen Holdings N.V.

(Exact name of registrant as specified in its charter)

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The Netherlands (State or other jurisdiction of incorporation or organization)	98-0662038 (I.R.S. Employer Identification No.)
770 Broadway	Diemerhof 2
New York, New York 10003	1112 XL Diemen
(646) 654-5000	The Netherlands
	+31 (0) 20 398 87 77
(Address of principal executive offices) (Zip Code) (Registrant's telephone numbers 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 (§232.405 of this chapter) 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 definition of "accelerated filer", "large accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input checked="" type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

There were 360,772,260 shares of the registrant's Common Stock outstanding as of March 31, 2012.

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PART I. FINANCIAL INFORMATION

**Item 1. Condensed Consolidated Financial Statements
Nielsen Holdings N.V.****Condensed Consolidated Statements of Operations (Unaudited)**

(IN MILLIONS EXCEPT SHARE AND PER SHARE DATA)	Three Months Ended March 31,	
	2012	2011
Revenues	\$ 1,340	\$ 1,302
Cost of revenues, exclusive of depreciation and amortization shown separately below	565	549
Selling, general and administrative expenses, exclusive of depreciation and amortization shown separately below	453	543
Depreciation and amortization	131	136
Restructuring charges	37	23
Operating income	154	51
Interest income	1	1
Interest expense	(106)	(140)
Loss on derivative instruments		(1)
Foreign currency exchange transaction (losses)/gains, net	(9)	7
Other expense, net	(6)	(230)
Income/(loss) from continuing operations before income taxes and equity in net loss of affiliates	34	(312)
(Provision)/benefit for income taxes	(7)	134
Equity in net loss of affiliates	(2)	(2)
Income/(loss) from continuing operations	25	(180)
Loss from discontinued operations, net of tax		(1)
Net income/(loss)	25	(181)
Net income attributable to noncontrolling interests		1
Net income/(loss) attributable to Nielsen stockholders	\$ 25	\$ (182)
Net income/(loss) per share of common stock, basic and diluted		
Income/(loss) from continuing operations	\$ 0.07	\$ (0.55)
Net income/(loss) attributable to Nielsen stockholders	\$ 0.07	\$ (0.55)
Weighted-average shares of common stock outstanding, basic	360,881,693	331,248,626
Dilutive shares of common stock	4,839,365	
Weighted-average shares of common stock outstanding, diluted	365,721,058	331,248,626

The accompanying notes are an integral part of these condensed consolidated financial statements.

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Nielsen Holdings N.V.

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

(IN MILLIONS)	Three Months Ended March 31,	
	2012	2011
Net income/(loss)	\$ 25	\$ (181)
Other comprehensive income, net of tax		
Foreign currency translation adjustments, net of tax	87	43
Changes in the fair value of cash flow hedges, net of tax	(1)	7
Defined benefit pension plan adjustments, net of tax	2	(1)
Total other comprehensive income	88	49
Total comprehensive income/(loss)	113	(132)
Less: comprehensive income attributable to noncontrolling interests		2
Total comprehensive income/(loss) attributable to Nielsen stockholders	\$ 113	\$ (134)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents**Nielsen Holdings N.V.****Condensed Consolidated Balance Sheets**

(IN MILLIONS, EXCEPT SHARE AND PER SHARE DATA)		March 31, 2012 (Unaudited)	December 31, 2011
Assets:			
Current assets			
Cash and cash equivalents	\$	295	\$ 319
Trade and other receivables, net of allowances for doubtful accounts and sales returns of \$25 and \$24 as of March 31, 2012 and December 31, 2011, respectively		1,057	1,080
Prepaid expenses and other current assets		297	266
Total current assets		1,649	1,665
Non-current assets			
Property, plant and equipment, net		611	609
Goodwill		7,232	7,155
Other intangible assets, net		4,544	4,561
Deferred tax assets		179	198
Other non-current assets		322	316
Total assets	\$	14,537	\$ 14,504
Liabilities and equity:			
Current liabilities			
Accounts payable and other current liabilities	\$	898	\$ 1,025
Deferred revenues		424	443
Income tax liabilities		67	80
Current portion of long-term debt, capital lease obligations and short-term borrowings		293	144
Total current liabilities		1,682	1,692
Non-current liabilities			
Long-term debt and capital lease obligations		6,563	6,619
Deferred tax liabilities		972	996
Other non-current liabilities		548	556
Total liabilities		9,765	9,863
Commitments and contingencies (Note 10)			
Equity:			
Nielsen stockholders' equity			
Common stock, 0.07 par value, 1,185,000,000 shares authorized; 361,232,014 and 360,107,359 shares issued and 360,772,260 and 359,647,605 shares outstanding at March 31, 2012 and December 31, 2011, respectively		30	30
Additional paid-in capital		6,445	6,427
Accumulated deficit		(1,500)	(1,525)
Accumulated other comprehensive loss, net of income taxes		(211)	(299)
Total Nielsen stockholders' equity		4,764	4,633
Noncontrolling interests		8	8
Total equity		4,772	4,641

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Total liabilities and equity	\$ 14,537	\$ 14,504
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The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents**Nielsen Holdings N.V.****Condensed Consolidated Statements of Cash Flows (Unaudited)**

(IN MILLIONS)	Three Months Ended March 31,	
	2012	2011
Operating Activities		
Net income/(loss)	\$ 25	\$ (181)
Adjustments to reconcile net income/(loss) to net cash used in operating activities:		
Stock-based compensation expense	8	4
Currency exchange rate differences on financial transactions and other losses	15	223
Loss on derivative instruments		1
Equity in net loss of affiliates, net of dividends received	5	6
Depreciation and amortization	131	136
Changes in operating assets and liabilities, net of effect of businesses acquired and divested:		
Trade and other receivables, net	51	57
Prepaid expenses and other current assets	(25)	(25)
Accounts payable and other current liabilities and deferred revenues	(227)	(155)
Other non-current liabilities	(1)	2
Interest payable	31	47
Income taxes payable	(16)	(167)
Net cash used in operating activities	(3)	(52)
Investing Activities		
Acquisition of subsidiaries and affiliates, net of cash acquired	(16)	(60)
Additions to property, plant and equipment and other assets	(42)	(20)
Additions to intangible assets	(40)	(32)
Other investing activities		(1)
Net cash used in investing activities	(98)	(113)
Financing Activities		
Net borrowings under revolving credit facility	120	
Proceeds from issuances of debt, net of issuance costs	1,209	277
Repayment of debt	(1,271)	(1,751)
Increase in other short-term borrowings	6	12
Proceeds from the issuance of common stock		1,801
Activity under stock plans	10	(2)
Settlement of derivatives and other financing activities	(4)	(212)