

INTERCONTINENTAL HOTELS GROUP PLC /NEW/  
Form 6-K  
April 04, 2017

**SECURITIES AND EXCHANGE COMMISSION**

**Washington DC 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 AND 15d-16  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**April 4, 2017**

**InterContinental Hotels Group PLC**

**(Registrant's name)**

**Broadwater Park**

**Denham, Buckinghamshire UB9 5HR**

**(Address of principal executive offices)**

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Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If  Yes  is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

The information contained in this report is incorporated by reference into Registration Statement Nos. 333-197846, 333-181334 and 333-126139.

EXHIBIT INDEX

<b>Item</b>	<b>Description</b>
1.	Notice of Annual General Meeting of InterContinental Hotels Group PLC dated April 4, 2017
2.	Press release dated April 4, 2017

SIGNATURES

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.

INTERCONTINENTAL HOTELS GROUP PLC

(Registrant)

Date: April 4, 2017

By: /s/ Nicolette Henfrey  
 Name: Nicolette Henfrey  
 Title: Deputy Company Secretary

n="bottom" width="1%" style="BORDER-BOTTOM: black 2px solid; TEXT-ALIGN:

left"> 241,608 5,171 13 246,214

Interest income (expense), net

(774) (3,640) 19 - - (4,395)

Loss on debt extinguishment

- (2,557) - - - (2,557)

Other income, net

- - 3,437 63 - 3,500

INCOME (LOSS) BEFORE INCOME TAXES AND EQUITY IN EARNINGS OF SUBSIDIARIES

- (6,393) 12,381 (3,278) (13) 2,697

PROVISION (BENEFIT) FOR INCOME TAXES

- (2,912) 5,608 (1,488) - 1,208

NET INCOME (LOSS) BEFORE EQUITY IN EARNINGS OF SUBSIDIARIES

- (3,481) 6,773 (1,790) (13) 1,489

EQUITY IN EARNINGS OF SUBSIDIARIES

1,489 4,970 - - (6,459) -

NET INCOME (LOSS)

\$1,489 \$1,489 \$6,773 \$(1,790) \$(6,472) \$1,489

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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)  
FOR THE NINE MONTHS ENDED APRIL 30, 2011

	Parent	Issuer	Subsidiary Guarantors	Non- Guarantor Subsidiaries	Eliminations and Reclassifications	Dycom Consolidated
	(Dollars in thousands)					
<b>REVENUES:</b>						
Contract Revenues	\$ -	\$ -	\$ 725,863	\$ 6,287	\$ -	\$ 732,150
<b>EXPENSES:</b>						
Costs of earned revenues, excluding depreciation and amortization	-	-	592,033	5,954	-	597,987
General and administrative	15,970	467	46,005	5,896	-	68,338
Depreciation and amortization	2,379	-	40,703	3,846	(34 )	46,894
Intercompany charges (income), net	(20,793)	-	20,547	223	23	-
Total	(2,444 )	467	699,288	15,919	(11 )	713,219
Interest income (expense), net	(2,444 )	(9,442 )	73	-	-	(11,813 )
Loss on debt extinguishment	-	(8,296 )	-	-	-	(8,296 )
Other income, net	-	-	7,405	59	-	7,464
<b>INCOME (LOSS) BEFORE INCOME TAXES AND EQUITY IN EARNINGS OF SUBSIDIARIES</b>	-	(18,205)	34,053	(9,573 )	11	6,286
<b>PROVISION (BENEFIT) FOR INCOME TAXES</b>	-	(9,083 )	17,004	(4,777 )	-	3,144
<b>NET INCOME (LOSS) BEFORE EQUITY IN EARNINGS OF SUBSIDIARIES</b>	-	(9,122 )	17,049	(4,796 )	11	3,142
<b>EQUITY IN EARNINGS OF SUBSIDIARIES</b>	3,142	12,264	-	-	(15,406 )	-
<b>NET INCOME (LOSS)</b>	\$ 3,142	\$ 3,142	\$ 17,049	\$ (4,796 )	\$ (15,395 )	\$ 3,142

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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE NINE MONTHS ENDED APRIL 28, 2012

	Parent	Issuer	Subsidiary Guarantors	Non- Guarantor Subsidiaries	Eliminations and Reclassification	Dycom Consolidated
	(Dollars in thousands)					
Net cash provided by (used in) operating activities	\$ 734	\$ (3,178)	\$ 71,636	\$ (739 )	\$ -	\$ 68,453
Cash flows from investing activities:						
Capital expenditures	(2,411 )	-	(56,832)	(3,547)	-	(62,790)
Proceeds from sale of assets	-	-	14,980	5,548	-	20,528
Changes in restricted cash	550	-	-	-	-	550
Capital contributions to subsidiaries	-	6,088	-	-	(6,088 )	-
Net cash provided by (used in) investing activities	(1,861 )	6,088	(41,852)	2,001	(6,088 )	(41,712)
Cash flows from financing activities:						
Principal payments on long-term debt	-	-	(186 )	-	-	(186 )
Repurchases of common stock	(10,942 )	-	-	-	-	(10,942)
Exercise of stock options and other	5,299	-	-	-	-	5,299
Restricted stock tax withholdings	(329 )	-	-	-	-	(329 )
Intercompany funding	5,738	(2,910)	(8,853 )	(63 )	6,088	-
Excess tax benefit from share-based awards	1,361	-	-	-	-	1,361
Net cash provided by (used in) financing activities	1,127	(2,910)	(9,039 )	(63 )	6,088	(4,797 )
Net increase in cash and equivalents	-	-	20,745	1,199	-	21,944
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	-	-	44,608	158	-	44,766
CASH AND EQUIVALENTS AT END OF PERIOD	\$ -	\$ -	\$ 65,353	\$ 1,357	\$ -	\$ 66,710



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DYCOM INDUSTRIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)  
FOR THE NINE MONTHS ENDED APRIL 30, 2011

	Parent	Issuer	Subsidiary Guarantors	Non- Guarantor Subsidiaries	Eliminations and Reclassifications	Dycom Consolidated
	(Dollars in thousands)					
Net cash provided by (used in) operating activities	\$ 2,640	\$ (5,719 )	\$ 58,167	\$ (2,975 )	\$ (23 )	\$ 52,090
Cash flows from investing activities:						
Capital expenditures	(1,277 )	-	(27,641 )	(3,360 )	23	(32,255 )
Proceeds from sale of assets	-	-	9,550	140	-	9,690
Cash paid for acquisitions	-	(27,500 )	(9,000 )	-	-	(36,500 )
Changes in restricted cash	25	-	191	-	-	216
Capital contributions to subsidiaries	-	(21,614 )	-	-	21,614	-
Net cash used in investing activities	(1,252 )	(49,114 )	(26,900 )	(3,220 )	21,637	(58,849 )
Cash flows from financing activities:						
Proceeds from long-term debt	-	187,500	-	-	-	187,500
Principal payments on long-term debt	-	(135,350)	(317 )	-	-	(135,667)
Debt issuance costs	(456 )	(4,649 )	-	-	-	(5,105 )
Repurchases of common stock	(55,491)	-	-	-	-	(55,491 )
Exercise of stock options and other	1,174	-	-	-	-	1,174
Restricted stock tax withholdings	(196 )	-	-	-	-	(196 )
Excess tax benefit from share-based awards	251	-	-	-	-	251
Intercompany funding	53,330	7,332	(45,329 )	6,281	(21,614 )	-
Net cash provided by (used in) financing activities	(1,388 )	54,833	(45,646 )	6,281	(21,614 )	(7,534 )
Net increase (decrease) in cash and equivalents	-	-	(14,379 )	86	-	(14,293 )
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	-	-	102,858	462	-	103,320



CASH AND EQUIVALENTS AT END OF PERIOD	\$ -	\$ -	\$ 88,479	\$ 548	\$ -	\$ 89,027
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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with our Annual Report on Form 10-K for the year ended July 30, 2011. Our Annual Report on Form 10-K for the year ended July 30, 2011 was filed with the Securities and Exchange Commission ("SEC") on September 2, 2011 and is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and on our website at [www.dycomind.com](http://www.dycomind.com).

Cautionary Note Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q, including any documents incorporated by reference or deemed to be incorporated by reference herein, contains "forward-looking statements," which are statements relating to future events, future financial performance, strategies, expectations, and competitive environment. Words such as "believe," "expect," "anticipate," "estimate," "intend," "forecast," "may," "should," "could," "project" and similar expressions, as well as statements in the future tense, identify forward-looking statements.

You should not read forward-looking statements as a guarantee of future performance or results. They will not necessarily be accurate indications of whether or at what time such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief at that time with respect to future events. Such statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- anticipated outcomes of contingent events, including litigation;
- projections of revenues, income or loss, or capital expenditures;
- whether the carrying value of our assets is impaired;
- plans for future operations, growth and acquisitions, dispositions, or financial needs;
- availability of financing;
- the outcome of our plans for future operations, growth and services, including contract backlog;
- restrictions imposed by our credit agreement and the indenture governing our senior subordinated notes;
  - the use of our cash flow to service our debt;
- future economic conditions and trends in the industries we serve;
  - assumptions relating to any of the foregoing;

and other factors discussed within Item 1, Business, Item 1A, Risk Factors, and Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report on Form 10-K, filed with the SEC on September 2, 2011 and other risks outlined in our periodic filings with the SEC. Our forward-looking statements are expressly qualified in their entirety by this cautionary statement. Our forward-looking statements are only made as of the date of this Quarterly Report on Form 10-Q and we undertake no obligation to update these forward-looking statements to reflect new information, subsequent events or otherwise.

## Overview

We are a leading provider of specialty contracting services. These services, which are provided throughout the United States and in Canada, include engineering, construction, maintenance and installation services to telecommunications providers, underground facility locating services to various utilities, including telecommunications providers, and other construction and maintenance services to electric and gas utilities and others. For the nine months ended April 28, 2012, the percentage of our revenue by customer type from telecommunications, underground facility locating, and electric and gas utilities and other customers, was approximately 84.3%, 10.9%, and 4.8%, respectively.

We conduct operations through our subsidiaries. Our revenues may fluctuate as a result of changes in the capital expenditure and maintenance budgets of our customers, changes in the general level of construction activity, as well as overall economic conditions. The capital expenditures and maintenance budgets of our telecommunications customers may be impacted by consumer demands on telecommunications providers, the introduction of new communication technologies, the physical maintenance needs of their infrastructure, the actions of our government and the Federal Communications Commission, and general economic conditions.

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A significant portion of our services are performed under master service agreements and other arrangements with customers that extend for periods of one or more years. We are currently party to numerous master service agreements, generally having multiple agreements with each of our customers. Master service agreements generally contain customer-specified service requirements, such as discrete pricing for individual tasks. To the extent that such contracts specify exclusivity, there are often a number of exceptions, including the ability of the customer to issue work orders valued above a specified dollar amount to other service providers, perform work with the customer's own employees, and use other service providers when jointly placing facilities with another utility. In most cases, a customer may terminate an agreement for convenience with written notice. The remainder of our services are provided pursuant to contracts for specific projects. Long-term contracts relate to specific projects with terms in excess of one year from the contract date. Short-term contracts for specific projects are generally of three to four months in duration. A portion of our contracts include retainage provisions under which 5% to 10% of the contract invoicing may be withheld by the customer pending project completion.

We recognize revenues under the percentage of completion method of accounting using the units-of-delivery or cost-to-cost measures. A significant majority of our contracts are based on units-of-delivery, and revenue is recognized as each unit is completed. Revenues from contracts using the cost-to-cost measures of completion are recognized based on the ratio of contract costs incurred to date to total estimated contract costs. Revenues from services provided under time and materials based contracts are recognized as the services are performed.

The following table summarizes our revenues from multi-year master service agreements and other long-term contracts, as a percentage of contract revenues:

	For the Three Months Ended		For the Nine Months Ended	
	April 28, 2012	April 30, 2011	April 28, 2012	April 30, 2011
Multi-year master service agreements	70.2 %	74.6 %	70.4 %	75.7 %
Other long-term contracts	11.2	11.5	10.3	12.1
Total long-term contracts	81.4 %	86.1 %	80.7 %	87.8 %

The percentage of revenue from long-term contracts varies between periods depending on the mix of work performed under our contracts. During the three and nine months ended April 28, 2012, a higher percentage of revenue was earned for services performed under short-term contracts, including work performed for certain rural broadband customers.

A significant portion of our revenue comes from several large customers. The following table reflects the percentage of total revenue from those customers who contributed at least 2.5% of our total revenue in the three or nine months ended April 28, 2012 or April 30, 2011:

	For the Three Months Ended		For the Nine Months Ended	
	April 28, 2012	April 30, 2011	April 28, 2012	April 30, 2011
AT&T, Inc.	13.4 %	21.1 %	14.1 %	22.2 %
CenturyLink, Inc.*	13.0 %	11.0 %	13.6 %	10.2 %
Comcast Corporation	12.5 %	13.7 %	12.7 %	15.1 %
Verizon Communications, Inc.	11.1 %	8.7 %	11.0 %	8.0 %

Windstream Corporation*	9.0	%	7.1	%	7.7	%	5.3	%
Charter Communications, Inc.	7.2	%	7.0	%	6.5	%	6.8	%
Time Warner Cable Inc.*	4.1	%	4.9	%	4.8	%	6.4	%

\*For comparison purposes, revenues from CenturyLink, Inc. and Qwest Communications International, Inc. have been combined for periods prior to their April 2011 merger. Additionally, revenues from Windstream Corporation and Kentucky Data Link, Inc. have been combined for periods prior to their December 2010 merger and revenues from Time Warner Cable Inc. and Insight Communications Company, Inc. have been combined for periods prior to their February 2012 merger.

Cost of earned revenues includes all direct costs of providing services under our contracts, including costs for direct labor provided by employees, services by independent subcontractors, operation of capital equipment (excluding depreciation and amortization), direct materials and insurance claims and other direct costs. We retain the risk of loss, up to certain limits, for claims related to automobile liability, general liability, workers' compensation, employee group health, and locate damages. Locate damage claims result from property and other damages arising in connection with our underground facility locating services. A change in claims experience or actuarial assumptions related to these risks could materially affect our results of operations. For a majority of the contract services we perform, our customers provide all required materials while we provide the necessary personnel, tools, and equipment. Materials supplied by our customers, for which the customer retains financial and performance risk, are not included in our revenue or costs of sales.

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General and administrative expenses include costs of management personnel and administrative overhead at our subsidiaries, as well as our corporate costs. These costs primarily consist of employee compensation and related expenses, including stock-based compensation, legal, consulting and professional fees, information technology and development costs, provision for or recoveries of bad debt expense, and other costs that are not directly related to performance of our services under customer contracts. Our senior management, including the senior managers of our subsidiaries, perform substantially all of our sales and marketing functions as part of their management responsibilities and, accordingly, we have not incurred material sales and marketing expenses. Information technology and development costs included in general and administrative expenses are primarily incurred to support and to enhance our operating efficiency. To protect our rights, we have filed for patents on certain of our innovations.

We are subject to concentrations of credit risk relating primarily to our cash and equivalents, trade accounts receivable, other receivables and costs and estimated earnings in excess of billings. Cash and equivalents primarily include balances on deposit in banks. We maintain substantially all of our cash and equivalents at financial institutions we believe to be of high credit quality. To date we have not experienced any loss or lack of access to cash in our operating accounts.

We grant credit under normal payment terms, generally without collateral, to our customers. These customers primarily consist of telephone companies, cable television multiple system operators, and electric and gas utilities. With respect to a portion of the services provided to these customers, we have certain statutory lien rights which may, in certain circumstances, enhance our collection efforts. Adverse changes in overall business and economic factors may impact our customers and increase potential credit risks. These risks may be heightened as a result of economic uncertainty and market volatility. In the past, some of our customers have experienced significant financial difficulties and likewise, some may experience financial difficulties in the future. These difficulties expose us to increased risks related to the collectability of amounts due for services performed. We believe that none of our significant customers were experiencing financial difficulties which would materially impact the collectability of our net trade accounts receivable and costs in excess of billings as of April 28, 2012.

## Legal Proceedings

On October 20, 2010, Prince Telecom, LLC (“Prince”), a wholly-owned subsidiary of the Company, was named as a defendant in a lawsuit in the United States District Court for the District of Oregon. The plaintiffs, three former employees of Prince, alleged various wage and hour claims, including that employees were not paid for all hours worked and were subject to improper wage deductions. Plaintiffs sought to certify as a class current and former employees of Prince who worked in the State of Oregon. On October 15, 2010, the plaintiffs’ attorneys and Prince entered into a memorandum of understanding pursuant to which the parties agreed to the terms of a proposed settlement with respect to the lawsuit. On May 18, 2011, the Court entered an Order approving the settlement and dismissed the action with prejudice subject to final administration of the terms of the settlement. During the first quarter of fiscal 2011, the Company recorded approximately \$0.5 million in other accrued liabilities with respect to the settlement, which was paid in June 2011.

On May 13, 2011, a proposed settlement was reached with respect to the Company’s two outstanding wage and hour class action lawsuits described below. In connection with an agreement to settle the two lawsuits entered into by the Company, Prince, Cavo Broadband Communications, LLC, Broadband Express, LLC (“BBX”) and the plaintiffs’ attorneys, the Company recorded \$0.6 million in other accrued liabilities during the third quarter of fiscal 2011. The first of the two lawsuits, which commenced on June 17, 2010, was brought by a former employee of Prince against Prince, the Company and certain unnamed U.S. affiliates of Prince and the Company (the “Affiliates”) in the United States District Court for the Southern District of New York. The lawsuit alleged that Prince, the Company and the Affiliates violated the Fair Labor Standards Act by failing to comply with applicable overtime pay requirements. The plaintiff sought unspecified damages and other relief on behalf of himself and a putative class of similarly situated

current and former employees of Prince, the Company and/or the Affiliates. The second of the lawsuits, which commenced on September 10, 2010, was brought by two former employees of BBX against BBX in the United States District Court for the Southern District of Florida. The lawsuit alleged that BBX violated the Fair Labor Standards Act by failing to comply with applicable overtime pay requirements. The plaintiffs sought unspecified damages and other relief on behalf of themselves and a putative class of similarly situated current and former employees of BBX. On August 12, 2011, the United States District Court for the Southern District of New York issued an Order approving the consolidation of the two lawsuits and approving the terms of the settlement, which was paid in December 2011.

As part of our insurance program, we retain the risk of loss, up to certain limits, for claims related to automobile liability, general liability, workers' compensation, employee group health, and locate damages, and we have established reserves that we believe to be adequate based on current evaluations and our experience with these types of claims. For these claims, the effect on our financial statements is generally limited to the amount needed to satisfy our insurance deductibles or retentions.

From time to time, we and our subsidiaries are parties to various other claims and legal proceedings. It is the opinion of our management, based on information available at this time, that such other pending claims or proceedings will not have a material effect on the Company's consolidated financial statements.

#### Acquisitions

As part of our growth strategy, we may acquire companies that expand, complement, or diversify our business. We regularly review opportunities and periodically engage in discussions regarding possible acquisitions. Our ability to sustain our growth and maintain our competitive position may be affected by our ability to identify, acquire, and successfully integrate companies.

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On November 19, 2010, we acquired certain assets and assumed certain liabilities of Communication Services, Inc. (“Communication Services”), a provider of outside plant construction services to telecommunications companies in the Southeastern and South Central United States. The anticipated benefits of this acquisition include incremental growth opportunities with existing customers and geographic expansion. The purchase price for Communication Services was \$9.0 million paid from cash on hand and the assumption of approximately \$0.9 million in capital lease obligations. Approximately \$0.9 million of the purchase price has been placed in escrow until November 2012 and will be used to satisfy indemnification obligations of the sellers that may arise.

On December 23, 2010, we acquired NeoCom Solutions, Inc. (“NeoCom”), based in Woodstock, Georgia. NeoCom provides services to construct, install, optimize and maintain wireless communication facilities in the Southeastern United States. The anticipated benefits of this acquisition include incremental growth opportunities with new and existing customers, including wireless service providers. The purchase price for NeoCom was \$27.5 million paid from cash on hand. Approximately \$2.8 million of the purchase price has been placed in escrow until June 2012 and will be used to satisfy indemnification obligations of the seller that may arise.

## Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these condensed consolidated financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, we evaluate these estimates and assumptions, including those related to recognition of revenue for costs and estimated earnings in excess of billings, the fair value of goodwill, the assessment of impairment of intangibles and other long-lived assets, income taxes, accrued insurance claims, asset lives used in computing depreciation and amortization, allowance for doubtful accounts, stock-based compensation expense for performance-based stock awards, and accruals for contingencies, including legal matters. These estimates and assumptions require the use of judgment as to the likelihood of various future outcomes and, as a result, actual results could differ materially from these estimates. There have been no changes to our critical accounting policies and estimates in the three or nine months ended April 28, 2012. See Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, included in our Annual Report on Form 10-K for the year ended July 30, 2011 for further information regarding our critical accounting policies and estimates.

## Results of Operations

The Company uses a fiscal year ending on the last Saturday in July. The following table sets forth, as a percentage of revenues earned, our condensed consolidated statements of operations for the periods indicated (totals may not add due to rounding):

	For the Three Months Ended				For the Nine Months Ended			
	April 28, 2012		April 30, 2011		April 28, 2012		April 30, 2011	
	(Dollars in millions)							
Revenues	\$ 296.1	100.0%	\$ 252.4	100.0 %	\$ 883.1	100.0%	\$ 732.1	100.0%
Expenses:								
Cost of earned revenue, excluding depreciation and amortization	241.4	81.5	207.0	82.0	716.8	81.2	598.0	81.7
General and administrative	27.0	9.1	23.7	9.4	76.6	8.7	68.3	9.3
Depreciation and amortization	15.6	5.3	15.5	6.1	47.0	5.3	46.9	6.4
Total	283.9	95.9	246.2	97.6	840.4	95.2	713.2	97.4



Interest expense, net	(4.2 )	(1.4 )	(4.4 )	(1.7 )	(12.5 )	(1.4 )	(11.8 )	(1.6 )
Loss on debt extinguishment	-	-	(2.6 )	(1.0 )	-	-	(8.3 )	(1.1 )
Other income, net	7.6	2.6	3.5	1.4	12.9	1.5	7.5	1.0
Income before income taxes	15.6	5.3	2.7	1.1	43.1	4.9	6.3	0.9
Provision for income taxes	6.0	2.0	1.2	0.5	17.0	1.9	3.1	0.4
Net income	\$ 9.6	3.3 %	\$ 1.5	0.6 %	\$ 26.1	3.0 %	\$ 3.1	0.4 %

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Revenues. The following table presents information regarding total revenues by type of customer for the three months ended April 28, 2012 and April 30, 2011 (totals may not add due to rounding):

	For the Three Months Ended						Increase (decrease)	
	April 28, 2012			April 30, 2011			\$	%
	Revenue	% of Total		Revenue	% of Total			
	(Dollars in millions)							
Telecommunications	\$ 256.1	86.5 %		\$ 211.4	83.8 %	\$ 44.7	21.1 %	
Underground facility locating	32.4	10.9		34.6	13.7	(2.2 )	(6.4 )	
Electric and gas utilities and other customers	7.6	2.6		6.4	2.5	1.3	19.9	
Total contract revenues	\$ 296.1	100.0 %		\$ 252.4	100.0 %	\$ 43.7	17.3 %	

Revenues increased \$43.7 million, or 17.3 %, during the three months ended April 28, 2012 as compared to the three months ended April 30, 2011.

Revenues from specialty construction services provided to telecommunications companies increased 21.1%, or \$44.7 million, to \$256.1 million during the three months ended April 28, 2012 compared to \$211.4 million during the three months ended April 30, 2011. Revenue increased \$10.8 million for a significant telecommunications customer for services provided under new contracts entered into during fiscal 2011 which expanded our geographic service area. For another significant telephone customer, revenue increased \$10.6 million for services provided under existing contracts, including fiber to the cell site activity, and for services provided under new contracts which expanded our geographic service area. Additionally, we had incremental revenues of \$8.7 million for a telephone customer from services provided under existing contracts and for rural broadband initiatives. For two leading cable multiple system operators, we experienced a \$6.6 million increase in revenue for installation, maintenance, and construction services, which included services to provision fiber to cellular sites. Certain other telecommunications customers had net increases in revenue of \$21.9 million during the three months ended April 28, 2012, including services provided under new contracts for rural broadband initiatives which expanded both our customer base and geographic service areas. These increases were partially offset by a decrease in revenue of \$13.9 million for a significant telephone customer compared to the prior year as a result of reduced customer spending in the current period.

Total revenues from underground facility locating customers during the three months ended April 28, 2012 decreased 6.4% to \$32.4 million compared to \$34.6 million during the three months ended April 30, 2011. The decrease resulted from contracts that were terminated during fiscal 2011, reflecting a planned de-emphasis of technician intensive customer contracts.

Total revenues from electric and gas utilities and other construction and maintenance customers during the three months ended April 28, 2012 increased to \$7.6 million compared to \$6.4 million during the three months ended April 30, 2011. The increase was primarily attributable to increases in work performed for several gas companies and electric utilities during the three months ended April 28, 2012 as compared to the prior year period.

The following table presents information regarding total revenues by type of customer for the nine months ended April 28, 2012 and April 30, 2011 (totals may not add due to rounding):

	For the Nine Months Ended				Increase (decrease)	
	April 28, 2012		April 30, 2011		\$	%
	Revenue		Revenue			

	% of Total			% of Total					
	(Dollars in millions)								
Telecommunications	\$ 744.3	84.3	%	\$ 596.8	81.5	%	\$ 147.6	24.7	%
Underground facility locating	96.2	10.9		110.1	15.0		(13.9 )	(12.6 )	
Electric and gas utilities and other customers	42.5	4.8		25.3	3.5		17.3	68.3	
Total contract revenues	\$ 883.1	100.0	%	\$ 732.1	100.0	%	\$ 150.9	20.6	%

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Revenues increased \$150.9 million, or 20.6%, during the nine months ended April 28, 2012 as compared to the nine months ended April 30, 2011. Businesses acquired during the second quarter of fiscal 2011 generated \$41.8 million during the nine months ended April 28, 2012 as compared to \$19.6 million during the nine months ended April 30, 2011.

Revenues from specialty construction services provided to telecommunications companies increased 24.7%, or \$147.6 million, to \$744.3 million during the nine months ended April 28, 2012 compared to \$596.8 million during the nine months ended April 30, 2011. Businesses acquired during the second quarter of fiscal 2011 generated \$22.1 million of this increase. Revenue increased \$43.5 million for services provided under existing contracts, including fiber to the cell site activity, and for services provided under new contracts which expanded our geographic service area. For another significant telephone customer, revenue increased \$37.0 million for a significant telephone customer for services provided under new contracts entered into during fiscal 2011 which expanded our geographic service area. Additionally, we had incremental revenues of \$22.6 million for a telephone customer from services provided under existing contracts and for rural broadband initiatives. For two leading cable multiple system operators, we experienced a \$10.6 million increase in revenue for installation, maintenance, and construction services, including services to provision fiber to cellular sites. Certain other telecommunications customers had net increases in revenue of \$45.9 million during the nine months ended April 28, 2012, including services provided under new contracts for rural broadband initiatives which expanded both our customer base and geographic service areas. These increases were partially offset by a decrease in revenue of \$34.1 million for a significant telephone customer compared to the prior year as a result of reduced customer spending in the current period.

Total revenues from underground facility locating customers during the nine months ended April 28, 2012 decreased 12.6% to \$96.2 million compared to \$110.1 million during the nine months ended April 30, 2011. The decrease resulted from contracts that were terminated during fiscal 2011, reflecting a planned de-emphasis of technician intensive customer contracts.

Total revenues from electric and gas utilities and other construction and maintenance customers during the nine months ended April 28, 2012 increased 68.3% to \$42.5 million compared to \$25.3 million during the nine months ended April 30, 2011. The increase was primarily attributable to increases in work performed for several gas companies and electric utilities during the nine months ended April 28, 2012 as compared to the prior year period.

Costs of Earned Revenues. Costs of earned revenues increased to \$241.4 million during the three months ended April 28, 2012 compared to \$207.0 million during the three months ended April 30, 2011. The increase was primarily due to a higher level of operations during the three months ended April 28, 2012. The primary components of the increase were a \$26.9 million aggregate increase in direct labor and independent subcontractor costs, and a \$7.7 million increase in direct materials costs, partially offset by a \$0.2 million decrease in other direct costs.

Costs of earned revenues as a percentage of contract revenues decreased 0.5% for the three months ended April 28, 2012 as compared to the three months ended April 30, 2011. Fuel costs as a percentage of total revenue decreased 0.4% as compared to the same period last year as a result of a change in mix of work that increased activities involving lower levels of fuel consumption. Other direct costs decreased 2.0% as a percentage of total revenue compared to the three months ended April 30, 2011 primarily as a result of reduced insurance claims costs during the current period and improved operating cost leverage. Offsetting these decreases, material usage increased 1.4% based on our mix of work and labor and subcontractor costs increased 0.5% as a percentage of total revenue.

Costs of earned revenues increased to \$716.8 million during the nine months ended April 28, 2012 compared to \$598.0 million during the nine months ended April 30, 2011. The increase was primarily due to a higher level of operations during the nine months ended April 28, 2012, including the operating costs of Communication Services and NeoCom since their acquisitions during the second quarter of fiscal 2011. The primary components of the

increase were a \$83.1 million aggregate increase in direct labor and independent subcontractor costs, a \$25.7 million increase in direct materials costs, and a \$10.0 million increase in other direct costs.

Costs of earned revenues as a percentage of contract revenues decreased 0.5% for the nine months ended April 28, 2012 as compared to the nine months ended April 30, 2011. Labor and subcontractor costs represented a lower percentage of total revenue for the nine months ended April 28, 2012, decreasing 0.7% compared to the nine months ended April 30, 2011 as a result of improved operating efficiency and the mix of work performed. Other direct costs decreased 1.5% as a percentage of total revenue compared to the nine months ended April 30, 2011 primarily as a result of reduced insurance claims costs during the current period and improved operating cost leverage. Offsetting these decreases, material usage increased 1.7% as a percentage of total revenue based on our mix of work.

**General and Administrative Expenses.** General and administrative expenses increased \$3.3 million to \$27.0 million during the three months ended April 28, 2012 as compared to \$23.7 million for the three months ended April 30, 2011. General and administrative expenses increased \$8.3 million to \$76.6 million during the nine months ended April 28, 2012 as compared to \$68.3 million for the nine months ended April 30, 2011. The increase in total general and administrative expenses for each of the three and nine month periods resulted primarily from higher incentive pay expenses as a result of improved operating results, increased stock-based compensation expense, and increased payroll from the growth of operations. Additionally, the nine month period ended April 28, 2012 includes the incremental general and administrative expenses of Communication Services and NeoCom which were acquired during the second quarter of fiscal 2011 and the related acquisition costs of these acquisitions. Stock-based compensation expense was \$1.9 million during the three months ended April 28, 2012 as compared to \$1.3 million during the three months ended April 30, 2011. Stock-based compensation was \$4.9 million during the nine months ended April 28, 2012 compared to \$3.1 million during the nine months ended April 30, 2011.

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General and administrative expenses as a percentage of contract revenues were 9.1% and 9.4% for the three months ended April 28, 2012 and April 30, 2011, respectively. General and administrative expenses as a percentage of contract revenues were 8.7% and 9.3% for the nine months ended April 28, 2012 and April 30, 2011, respectively. The decrease in general and administrative expenses as a percentage of contract revenues is the result of improved operating leverage as a result of our revenue growth.

Depreciation and Amortization. Depreciation and amortization increased to \$15.6 million during the three months ended April 28, 2012 from \$15.5 million during the three months ended April 30, 2011 and totaled 5.3% and 6.1% as a percentage of contract revenues during the current and prior year quarter, respectively. Depreciation and amortization increased to \$47.0 million during the nine months ended April 28, 2012 from \$46.9 million during the nine months ended April 30, 2011 and totaled 5.3% and 6.4% as a percentage of contract revenues during the current and prior year, respectively. The decrease in depreciation and amortization as a percentage of contract revenues for the three and nine months ended April 28, 2012 as compared to the three and nine months ended April 30, 2011 was primarily the result of our mix of work and greater leverage on certain depreciable assets as our revenue has grown.

Interest Expense, Net. Interest expense, net was \$4.2 million and \$4.4 million during the three months ended April 28, 2012 and April 30, 2011, respectively. Interest expense, net increased to \$12.5 million during the nine months ended April 28, 2012 from \$11.8 million during the nine months ended April 30, 2011. The increase for the nine months ended April 28, 2012 reflects higher debt balances outstanding during the period. However, the overall effective interest rate on these borrowings has been reduced as a result of the fiscal 2011 issuance of our 7.125% senior subordinated notes due 2021.

Loss on Debt Extinguishment. On January 21, 2011, Dycom Investments, Inc., one of our subsidiaries, issued \$187.5 million aggregate principal amount of its 7.125% senior subordinated notes due 2021 (the "2021 Notes") in a private placement. A portion of the net proceeds was used to fund our purchase in January 2011 of \$86.96 million aggregate principal amount of our outstanding 8.125% senior subordinated notes due 2015 (the "2015 Notes") at a price of 104.313% of the principal amount pursuant to our tender offer to purchase, for cash, any and all of our \$135.35 million in aggregate principal amount of outstanding 2015 Notes. Additionally, a portion of the net proceeds was used to fund our redemption in February 2011 of the remaining \$48.39 million outstanding aggregate principal amount of 2015 Notes at a price of 104.063% of the principal amount. As a result we recognized a loss on debt extinguishment of approximately \$2.0 million and \$6.0 million during the three and nine months ended April 30, 2011, respectively, comprised of tender premiums and legal and professional fees associated with the tender offer and redemption and \$0.6 million and \$2.3 million, respectively, for the write off of deferred debt issuance costs for the 2015 Notes redeemed.

Other Income, Net. Other income increased to \$7.6 million during the three months ended April 28, 2012 from \$3.5 million during the three months ended April 30, 2011 and increased to \$12.9 million during the nine months ended April 28, 2012 from \$7.5 million during the nine months ended April 30, 2011. The increases in other income were primarily a function of assets sold and prices obtained for those assets during the current period, including approximately \$0.6 million for the gain on sale of a non-core cable system asset.

Income Taxes. The following table presents our income tax expense and effective income tax rate for the three and nine months ended April 28, 2012 and April 30, 2011:

For the Three Months Ended		For the Nine Months Ended	
April 28, 2012	April 30, 2011	April 28, 2012	April 30, 2011
(Dollars in millions)			

Income tax provision	\$ 6.0	\$ 1.2	\$ 17.0	\$ 3.1
Effective income tax rate	38.4 %	44.8 %	39.4 %	50.0 %

Our effective income tax rate differs from the statutory rates for the tax jurisdictions where we operate. Variations in our effective income tax rate for the three and nine months ended April 28, 2012 and April 30, 2011 are primarily attributable to the impact of non-deductible and non-taxable items, disqualifying dispositions of incentive stock option exercises, and production related tax credits recognized in relation to our pre-tax results during the period.

Non-deductible and non-taxable items will generally have a reduced impact on the effective income tax rate in periods of greater pre-tax results. As of both April 28, 2012 and July 30, 2011, we had total unrecognized tax benefits of approximately \$2.1 million, which would reduce our effective tax rate during the periods recognized if it is determined in future periods that those liabilities are no longer required.

Net Income. Net income was \$9.6 million during the three months ended April 28, 2012 as compared to \$1.5 million during the three months ended April 30, 2011. Net income was \$26.1 million during the nine months ended April 28, 2012 as compared to net income of \$3.1 million during the nine months ended April 30, 2011.

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## Liquidity and Capital Resources

Capital Requirements. Historically, our sources of cash have been operating activities, long-term debt, equity offerings, bank borrowings, and proceeds from the sale of equipment and real property. Our working capital needs vary based on our level of operations and generally increase with higher levels of revenues. Our working capital requirements are also impacted by the time it takes to collect our accounts receivable for work performed for customers. Cash and equivalents totaled \$66.7 million at April 28, 2012 compared to \$44.8 million at July 30, 2011. Cash increased during the nine months ended April 28, 2012 as a result of cash provided by operations offset by working capital changes consistent with the growth in our business, capital expenditures, net of the proceeds from the sale of assets, and repurchases of our common stock. Working capital (total current assets less total current liabilities) was \$242.0 million at April 28, 2012 compared to \$211.8 million at July 30, 2011.

Capital resources are primarily used to purchase equipment and maintain sufficient levels of working capital in order to support our contractual commitments to customers. We periodically borrow from and repay our revolving credit facility based on our cash requirements. Additionally, our capital requirements may increase to the extent we make acquisitions that involve consideration other than our stock, buy back our common stock or repurchase or call our senior subordinated notes. We have not paid cash dividends since 1982. Our board of directors evaluates our dividend policy based on our financial condition, profitability, cash flow, capital requirements, and the outlook of our business. We currently intend to retain any earnings for use in the business, including for investment in acquisitions, and consequently, we do not anticipate paying any cash dividends on our common stock in the foreseeable future. Additionally, the indenture governing our senior subordinated notes contains covenants that restrict our ability to make certain payments, including the payment of dividends.

	For the Nine Months Ended	
	April 28, 2012	April 30, 2011
	(Dollars in millions)	

## Net cash flows:

Provided by operating activities	\$ 68.5	\$ 52.1
Used in investing activities	\$ (41.7 )	\$ (58.8 )
Used in financing activities	\$ (4.8 )	\$ (7.5 )

Cash from Operating Activities. During the nine months ended April 28, 2012, net cash provided by operating activities was \$68.5 million. Non-cash items during the nine months ended April 28, 2012 were primarily depreciation and amortization, gain on sale of assets, stock-based compensation, and deferred income taxes. Changes in working capital (excluding cash) and changes in other long-term assets and liabilities used \$1.1 million of operating cash flow during the nine months ended April 28, 2012. Accounts receivable and net costs and estimated earnings in excess of billings contributed \$1.9 million on a combined basis. Other working capital sources of cash flow during the nine months ended April 28, 2012 were income taxes receivable of \$9.4 million used during the period and increases in accounts payable of \$1.9 million. Working capital changes that used operating cash flow during the nine months ended April 28, 2012 were other current and other non-current assets combined of \$12.6 million, primarily for higher levels of inventory and for other pre-paid costs during the nine months ended April 28, 2012, and accrued liabilities and accrued insurance claims of \$1.8 million.

Based on average daily revenue during the applicable quarter, days sales outstanding calculated for accounts receivable, net was 37 days as of April 28, 2012 and April 30, 2011. Days sales outstanding calculated for costs and estimated earnings in excess of billings, net of billings in excess of costs and estimated earnings, were 32 days as of April 28, 2012 and 26 days as of April 30, 2011. These changes resulted from growth in operations during the three



months ended April 28, 2012 and from the mix of work performed compared to fiscal 2011. We believe that none of our major customers were experiencing financial difficulties which would materially affect our cash flows or liquidity as of April 28, 2012.

During the nine months ended April 30, 2011, net cash provided by operating activities was \$52.1 million. Operating cash flow and net income for the nine months ended April 30, 2011 was reduced by our payment of \$6.0 million in consent and other fees related to our repurchase of \$135.35 million in aggregate principal amount of the 2015 Notes. Non-cash items during the nine months ended April 30, 2011 were primarily depreciation and amortization, gain on sale of assets, stock-based compensation, deferred income taxes and the amortization and write-off of debt issuance costs in connection with the repurchase of debt pursuant to our tender offer and redemption of the 2015 Notes. Changes in working capital (excluding cash) and changes in other long term assets and liabilities used \$1.8 million of operating cash flow during the nine months ended April 30, 2011. The primary working capital source during the nine months ended April 30, 2011 was a decrease in accounts receivable of \$14.6 million. Working capital changes that used operating cash flow during the nine months ended April 30, 2011 were net increases in net costs and estimated earnings in excess of billings of \$6.1 million and other current and other non-current assets combined of \$2.6 million, primarily for increased levels of inventory, and increases in income taxes receivable of \$3.2 million as a result of the timing of federal and state income tax payments. Other uses of working capital included decreases in accounts payable of \$1.1 million due to the timing of payments and decreases in other accrued liabilities and accrued insurance claims of \$3.4 million. These decreases were primarily attributable to interest payments on our 8.125% senior subordinated notes, including the final interest payments for the 2015 Notes tendered and redeemed during the nine months ended April 30, 2011, and timing of payments made on our accrued insurance claims.

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Cash Used in Investing Activities. During the nine months ended April 28, 2012 and April 30, 2011, net cash used in investing activities was \$41.7 million and \$58.8 million, respectively. During the nine months ended April 28, 2012 and April 30, 2011, capital expenditures of \$62.8 million and \$32.3 million, respectively, were offset in part by proceeds from the sale of assets of \$20.5 million and \$9.7 million, respectively. Included in proceeds from sale of assets during the nine months ended April 28, 2012 is approximately \$5.5 million related to the sale of non-core cable system assets during the third quarter of fiscal 2012. Capital expenditures increased during the nine months ended April 28, 2012 as compared to the prior year period as the result of spending for new work opportunities and for the replacement of certain fleet assets. In addition, we incurred certain capital expenditures to increase the fuel and operating efficiency of our fleet of vehicles. During the nine months ended April 30, 2011, we paid \$9.0 million and \$27.5 million in connection with the acquisitions of Communication Services and NeoCom, respectively. Restricted cash, primarily related to funding provisions of our insurance program, decreased \$0.6 million and \$0.2 million during the nine months ended April 28, 2012 and April 30, 2011, respectively.

Cash Used in Financing Activities. Net cash used in financing activities was \$4.8 million during the nine months ended April 28, 2012 as compared to net cash used in financing activities of \$7.5 million during the nine months ended April 30, 2011. During the nine months ended April 28, 2012, we repurchased 495,500 shares of our common stock, at an average price of \$22.08 per share, in open market transactions for approximately \$10.9 million. During the nine months ended April 30, 2011, we repurchased 4,809,500 shares of our common stock, at an average price of \$11.54 per share, in open market transactions for approximately \$55.5 million. We received \$5.3 million and \$1.2 million from the exercise of stock options during the nine months ended April 28, 2012 and April 30, 2011, respectively, and received excess tax benefits of \$1.4 million and \$0.3 million from the vesting of restricted stock units and exercises of stock options during the nine months ended April 28, 2012 and April 30, 2011, respectively. During the nine months ended April 28, 2012 and April 30, 2011, we withheld shares of restricted units and paid \$0.3 million and \$0.2 million, respectively, to tax authorities in order to meet payroll tax withholdings obligations on restricted units that vested to certain officers and employees during those periods.

During the nine months ended April 30, 2011, we received \$187.5 million in proceeds from the issuance of \$187.5 million aggregate principal amount of 7.125% senior subordinated notes due 2021. A portion of the net proceeds from the issuance were used in January 2011 to fund the purchase of \$86.96 million principal amount of our 8.125% senior subordinated notes due 2015 pursuant to a concurrent tender offer and to fund the redemption of the remaining \$48.39 million outstanding aggregate principal amount in February 2011. We paid \$5.1 million in debt issuance costs in connection with the issuance of our 2021 Notes and fees paid associated with our Credit Agreement during fiscal 2011. Additionally, we paid approximately \$0.2 million and \$0.3 million during the nine months ended April 28, 2012 and April 30, 2011, respectively, for principal payments on capital leases.

Compliance with Notes and Credit Agreement. On June 4, 2010, we entered into a five-year \$225.0 million senior secured revolving credit agreement (the "Credit Agreement") with a syndicate of banks. The Credit Agreement has an expiration date of June 4, 2015 and provides for maximum borrowings of \$225.0 million, including a sublimit of \$100.0 million for the issuance of standby letters of credit. Subject to certain conditions, the Credit Agreement provides for the ability to enter into one or more incremental facilities, in an aggregate amount not to exceed \$75.0 million, either by increasing the revolving commitments under the Credit Agreement and/or in the form of term loans. In connection with the issuance of the 2021 Notes, we entered into an amendment (the "Amendment") to the Credit Agreement. The Amendment modified the Credit Agreement to permit the issuance of the 2021 Notes so long as the net cash proceeds of the 2021 Notes were to be used to refinance, prepay, repurchase, redeem, retire and/or defease our 2015 Notes in their entirety within sixty days of issuance. Any remaining net cash proceeds could be used for general corporate purposes. We used \$12.5 million of the proceeds from issuing the 2021 Notes to reduce the amount of other indebtedness permitted by the Credit Agreement.

In addition, the Amendment increased the amount that we are permitted to use to repurchase our common stock by \$30.0 million for the period beginning January 5, 2011 through the maturity date of the Credit Agreement, subject to certain conditions.

Our obligations under the Credit Agreement are guaranteed by certain subsidiaries and secured by a pledge of (i) 100% of the equity of our material domestic subsidiaries and (ii) 100% of the non-voting equity and 65% of the voting equity of first-tier material foreign subsidiaries, if any, in each case excluding certain unrestricted subsidiaries. The Credit Agreement replaced our prior credit facility which was due to expire in September 2011.

Borrowings under the Credit Agreement (other than swingline loans as defined in the Credit Agreement) bear interest at a rate equal to either (a) the administrative agent's base rate, described in the Credit Agreement as the highest of (i) the sum of the federal funds rate and 0.50%; (ii) the administrative agent's prime rate; and (iii) the eurodollar rate (defined in the Credit Agreement as the British Bankers' Association LIBOR Rate, divided by the aggregate of 1.00% and one (1) less a reserve percentage (as defined in the Credit Agreement), or (b) the eurodollar rate and an applicable margin based on our consolidated leverage ratio, in each case. Swingline loans bear interest at a rate equal to the administrative agent's base rate and a margin based on our consolidated leverage ratio. Based on our consolidated leverage ratio as of April 28, 2012, revolving borrowings are eligible for a margin of 1.250% if based on the administrative agent's base rate and 2.250% if based on the eurodollar rate.

We incur fees under the Credit Agreement for the unutilized commitments at rates that range from 0.50% to 0.625% per annum, fees for outstanding standby letters of credit at rates that range from 2.00% to 2.75% per annum and fees for outstanding commercial letters of credit at rates that range from 1.00% to 1.375% per annum, in each case based on our consolidated leverage ratio. As of April 28, 2012, fees for unutilized commitments and outstanding standby letters of credit were at rates per annum of 0.50% and 2.50%, respectively.

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The Credit Agreement contains certain affirmative and negative covenants, including limitations with respect to indebtedness, liens, investments, distributions, mergers and acquisitions, dispositions of assets, sale-leaseback transactions, transactions with affiliates and capital expenditures. The Credit Agreement contains financial covenants that require us to (i) maintain a consolidated leverage ratio of not greater than 3.00 to 1.00, as measured on a trailing four-quarter basis at the end of each fiscal quarter and (ii) maintain a consolidated interest coverage ratio of not less than 2.75 to 1.00 for fiscal quarters ending July 31, 2010 through April 28, 2012 and not less than 3.00 to 1.00 for the fiscal quarter ending July 28, 2012 and each fiscal quarter thereafter, as measured on a trailing four-quarter basis at the end of each fiscal quarter. The Credit Agreement prohibits cash distributions (including dividends) on our capital stock unless, on a pro forma basis after giving effect to the distribution, we were in compliance with the financial covenants under the Credit Agreement, including having a consolidated leverage ratio of less than 2.75 to 1.00, at the end of the last fiscal quarter, and would have unrestricted cash and/or availability under the Credit Agreement of not less than \$40.0 million. As of April 28, 2012, we had no outstanding borrowings and \$39.1 million of outstanding standby letters of credit issued under the Credit Agreement. The outstanding standby letters of credit are issued as part of our insurance program. At April 28, 2012, we had additional borrowing availability of up to \$185.9 million, as determined by the most restrictive covenants of the Credit Agreement, and we were in compliance with the financial and other covenants.

On January 21, 2011, Dycorn Investments, Inc., one of our subsidiaries, accepted tenders for \$86.96 million in aggregate principal amount of outstanding 2015 Notes pursuant to our previously announced tender offer to purchase, for cash, any and all of our \$135.35 million in aggregate principal amount of outstanding 2015 Notes. Holders of the accepted 2015 Notes received total consideration of \$1,043.13 per \$1,000 principal amount of 2015 Notes tendered (which included a \$20 consent payment per \$1,000 principal amount of 2015 Notes tendered). The total cash payment to purchase the tendered 2015 Notes, including accrued and unpaid interest, was approximately \$92.6 million. On February 21, 2011, we redeemed the remaining \$48.39 million outstanding aggregate principal amount of 2015 Notes not tendered pursuant to the tender offer described above at a redemption price of 104.063% of the principal amount, in addition to accrued and unpaid interest. As a result, the Company recognized a loss on debt extinguishment of approximately \$2.0 million and \$6.0 million during the three and nine months ended April 30, 2011, respectively, comprised of tender premiums and legal and professional fees associated with the tender offer and redemption and \$0.6 million and \$2.3 million, respectively, for the write off of deferred debt issuance costs for the 2015 Notes redeemed.

Additionally, on January 21, 2011, we issued and sold \$187.5 million aggregate principal amount of 7.125% senior subordinated notes due 2021. The 2021 Notes are guaranteed by certain of our subsidiaries. A portion of the net proceeds from the sale of the 2021 Notes was used to fund our purchase of the 2015 Notes pursuant to the tender offer and redemption described above.

The indenture governing the 2021 Notes contains covenants that limit, among other things, our ability, and the ability of certain of our subsidiaries to incur additional debt and issue preferred stock, make certain restricted payments, consummate specified asset sales, enter into transactions with affiliates, incur liens, impose restrictions on the ability of our subsidiaries to pay dividends or make payments to us or our restricted subsidiaries, merge or consolidate with another person, and dispose of all or substantially all of our assets. As of April 28, 2012, the principal amount outstanding under the 2021 Notes was \$187.5 million and we were in compliance with the covenants and conditions under the indenture governing the 2021 Notes.

**Contractual Obligations.** The following tables set forth our outstanding contractual obligations, including related party leases, as of April 28, 2012:

Less than	Years	Years	Greater than 5
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	1 Year	1-3	3-5	Years	Total
	(Dollars in thousands)				
7.125% senior subordinated notes due 2021	\$ -	\$ -	\$ -	\$ 187,500	\$ 187,500
Interest payments on debt (excluding capital leases)	13,359	26,719	26,719	53,437	120,234
Capital lease obligations (including interest and executory costs)	125	-	-	-	125
Operating lease obligations	9,545	11,324	4,173	2,353	27,395
Employment agreements	2,492	984	-	-	3,476
Purchase and other contractual obligations	12,351	-	-	-	12,351
<b>Total</b>	<b>\$ 37,872</b>	<b>\$ 39,027</b>	<b>\$ 30,892</b>	<b>\$ 243,290</b>	<b>\$ 351,081</b>

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Purchase and other contractual obligations in the above table primarily include vehicles and equipment ordered under contracted agreements that have not been received. Additionally, we have excluded contractual obligations under the multiemployer defined pension plan that covers certain of our employees as these obligations are determined based on our future union employee payrolls, which cannot be reliably determined as of April 28, 2012.

Our condensed consolidated balance sheet as of April 28, 2012 includes a long-term liability of approximately \$22.5 million for accrued insurance claims. This liability has been excluded from the above table as the timing of any cash payments is uncertain. See Note 8 of the Notes to our Condensed Consolidated Financial Statements for additional information regarding our accrued insurance claims liability.

The liability for unrecognized tax benefits for uncertain tax positions at both April 28, 2012 and July 31, 2011 was \$2.1 million and is included in other liabilities in our condensed consolidated balance sheet. This amount has been excluded from the contractual obligations table because we are unable to reasonably estimate the timing of the resolution of the underlying tax positions with the relevant tax authorities.

### Off-Balance Sheet Arrangements.

**Performance Bonds and Guarantees** - We have obligations under performance and other surety contract bonds related to certain of our customer contracts. Performance bonds generally provide a customer with the right to obtain payment and/or performance from the issuer of the bond if we fail to perform our obligations under a contract. As of April 28, 2012, we had \$225.6 million of outstanding performance and other surety contract bonds and no events have occurred in which customers have exercised their rights under any such bonds. Additionally, we have periodically guaranteed certain obligations of our subsidiaries, including obligations in connection with obtaining state contractor licenses and leasing real property.

**Letters of Credit** - We have standby letters of credit issued under our Credit Agreement as part of our insurance program. These standby letters of credit collateralize our obligations to our insurance carriers in connection with the settlement of potential claims. As of April 28, 2012, we had \$39.1 million outstanding standby letters of credit issued under the Credit Agreement.

**Sufficiency of Capital Resources.** We believe that our capital resources, including existing cash balances and amounts available under our Credit Agreement, are sufficient to meet our financial obligations. These obligations include interest payments required on our senior subordinated notes and borrowings, working capital requirements, and the normal replacement of equipment at our current level of operations for at least the next twelve months. Our future operating results and cash flows may be affected by a number of factors including our success in bidding on contracts and our ability to manage costs effectively. To the extent we seek to grow by acquisitions that involve consideration other than our stock, or to the extent we buy back our common stock or repurchase or call our senior subordinated notes, our capital requirements may increase. Changes in financial markets or other areas of the economy could adversely impact our ability to access the capital markets, in which case we would expect to rely on a combination of available cash and the Credit Agreement to provide short-term funding.

**Backlog.** Our backlog consists of the uncompleted portion of services to be performed under job-specific contracts and the estimated value of future services that we expect to provide under master service agreements and other long-term requirements contracts. Many of our contracts are multi-year agreements, and we include in our backlog the amount of services projected to be performed over the terms of the contracts based on our historical experience with customers and, more generally, our experience in procurements of this type. In many instances, our customers are not contractually committed to procure specific volumes of services under a contract. Our estimates of a customer's requirements during a particular future period may not prove to be accurate.

Our backlog totaled \$1.744 billion and \$1.412 billion at April 28, 2012 and July 30, 2011, respectively. We expect to complete 55.1% of the April 28, 2012 backlog during the next twelve months.

#### Seasonality and Quarterly Fluctuations

Our revenues are affected by seasonality as a significant portion of the work we perform is outdoors. Consequently, our operations are impacted by extended periods of inclement weather. Generally, inclement weather is more likely to occur during the winter season, which falls during our second and third fiscal quarters. Also, a disproportionate percentage of total paid holidays fall within our second quarter, which decreases the number of available workdays. Additionally, our customer premise equipment installation activities for cable providers historically decrease around calendar year end holidays as their customers generally require less activity during this period. As a result, we may experience reduced revenue in the second or third quarters of our fiscal year.

In addition, we have experienced and expect to continue to experience quarterly variations in revenues and net income as a result of other factors, including:

- the timing and volume of customers' construction and maintenance projects, including possible delays as a result of material procurement;
  - seasonal budgetary spending patterns of customers and the timing of their budget approvals;
- the commencement or termination of master service agreements and other long-term agreements with customers;

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- costs incurred to support growth internally or through acquisitions;
  - fluctuations in results of operations caused by acquisitions;
- fluctuations in the employer portion of payroll taxes as a result of reaching the limitation on payroll withholdings obligations;
  - changes in mix of customers, contracts, and business activities;
- fluctuations in insurance expense due to changes in claims experience and actuarial assumptions;
- fluctuations in stock-based compensation expense as a result of performance criteria in performance-based share awards, as well as the timing and vesting period of all stock-based awards;
  - fluctuations in incentive pay as a result of operating results;
- fluctuations in interest expense due to levels of debt and related borrowing costs;
- fluctuations in other income as a result of the timing and levels of capital assets sold during the period; and
- fluctuations in income tax expense due to levels of taxable earnings and the impact of non-deductible items and tax credits.

Accordingly, operating results for any fiscal period are not necessarily indicative of results that may be achieved for any subsequent fiscal period.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks related to interest rates on our cash and equivalents and our debt obligations. We monitor the effects of market changes on interest rates and manage interest rate risks by investing in short-term cash equivalents with market rates of interest and by maintaining a mix of fixed and variable rate debt obligations. A hypothetical 50 basis point increase in interest rates would result in an increase to annual earnings of approximately \$0.7 million if our cash and equivalents held as of April 28, 2012 were to be fully invested in interest bearing financial instruments.

Our revolving credit facility permits borrowings at a variable rate of interest. We had no outstanding borrowings as of April 28, 2012. Outstanding long-term debt at April 28, 2012 included \$187.5 million of our senior subordinated notes due in 2021, which bear a fixed rate of interest of 7.125%. Due to the fixed rate of interest on the notes, changes in interest rates would not have an impact on the related interest expense. The fair value of the outstanding notes totaled approximately \$192.4 million as of April 28, 2012, based on quoted market prices. There exists market risk sensitivity on the fair value of the fixed rate notes with respect to changes in interest rates. A hypothetical 50 basis point change in the market interest rates in effect would result in an increase or decrease in the fair value of the notes of approximately \$6.2 million, calculated on a discounted cash flow basis.

We also have market risk for foreign currency exchange rates related to our operations in Canada. As of April 28, 2012, the market risk for foreign currency exchange rates was not significant as our operations in Canada have not been material.

Item 4. Controls and Procedures.



The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and its Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of April 28, 2012, the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of April 28, 2012, the Company's disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms and (2) accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, in a manner that allows timely decisions regarding required disclosure.

There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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## PART II. OTHER INFORMATION

## Item 1. Legal Proceedings.

For a description of legal proceedings affecting the Company refer to Part 1, Item 3, Legal Proceedings of our Annual Report on Form 10-K for the fiscal year ended July 30, 2011. There were no material developments to the legal proceedings affecting the Company during the fiscal quarter ended April 28, 2012.

As part of our insurance program, we retain the risk of loss, up to certain limits, for claims related to automobile liability, general liability, workers' compensation, employee group health, and locate damages, and we have established reserves that we believe to be adequate based on current evaluations and our experience with these types of claims. For these claims, the effect on our financial statements is generally limited to the amount needed to satisfy our insurance deductibles or retentions.

From time to time, we and our subsidiaries are parties to various other claims and legal proceedings. It is the opinion of our management, based on information available at this time, that such other pending claims or proceedings will not have a material effect on the Company's consolidated financial statements.

## Item 1A. Risk Factors.

There have been no material changes from the risk factors disclosed in Part 1, Item 1A of our Annual Report on Form 10-K for the year ended July 30, 2011.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

- (a) During the three months ended April 28, 2012, we did not sell any of our equity securities that were not registered under the Securities Act of 1933.
- (b) Not applicable.
- (c) The following table summarizes the Company's purchases of its common stock during the three months ended April 28, 2012:

## ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 29, 2012 - February 25, 2012	-	\$ -	-	(a)
February 26, 2012 - March 24, 2012	495,500	\$ 22.08	-	(a)
March 25, 2012 - April 28, 2012	-	\$ -	-	(a)

(a) During the third quarter of fiscal 2012, the Company repurchased 495,500 shares for \$10.9 million at an average price of \$22.08 per share under a previously authorized share repurchase program. All shares repurchased have been

subsequently cancelled. On March 15, 2012, the Board of Directors authorized \$40.0 million to repurchase shares of the Company's outstanding common stock to be made over the next eighteen months in open market or private transactions. As of April 28, 2012, the full \$40.0 million remained authorized for repurchase through September 15, 2013.

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Item 6. Exhibits.

Exhibits furnished pursuant to the requirements of Form 10-Q:

Exhibit number

- 31.1 + Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 + Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 + Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 + Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101++ Financial Statements from the Quarterly Report on Form 10-Q, for the quarter ended April 28, 2012, formatted in Extensible Business Reporting Language: (i) the Condensed Consolidated Statements of Operations; (ii) the Condensed Consolidated Balance Sheets; (iii) the Condensed Consolidated Statements of Cash Flows; and (iv) the Notes to Condensed Consolidated Financial Statements.

+ Filed herewith

++ Furnished herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DYCOM INDUSTRIES, INC.  
Registrant

Date: May 24, 2012

/s/ Steven E. Nielsen  
Name: Steven E. Nielsen  
Title: President and Chief Executive Officer

Date: May 24, 2012

/s/ H. Andrew DeFerrari  
Name: H. Andrew DeFerrari  
Title: Senior Vice President and Chief Financial  
Officer

