

Nielsen Holdings N.V.
Form 10-Q
October 22, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 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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(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
770 Broadway	Diemerhof 2
New York, New York 10003	1112 XL Diemen
(646) 654-5000	The Netherlands
(Address of principal executive offices) (Zip Code) (Registrant's telephone numbers including area code)	+31 (0) 20 398 87 77

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 Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) 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

There were 362,170,303 shares of the registrant's Common Stock outstanding as of September 30, 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 September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenues	\$ 1,423	\$ 1,413	\$ 4,148	\$ 4,111
Cost of revenues, exclusive of depreciation and amortization shown separately below	565	554	1,694	1,673
Selling, general and administrative expenses, exclusive of depreciation and amortization shown separately below	444	460	1,338	1,453
Depreciation and amortization	130	125	388	396
Restructuring charges	3	9	56	55
Operating income	281	265	672	534
Interest income	1	2	3	5
Interest expense	(106)	(114)	(319)	(368)
Loss on derivative instruments				(1)
Foreign currency exchange transaction gains/(losses), net	1	(4)	(12)	(7)
Other (expense)/income, net	(1)		3	(221)
Income/(loss) from continuing operations before income taxes and equity in net (loss)/income of affiliates	176	149	347	(58)
(Provision)/benefit for income taxes	(69)	(44)	(114)	51
Equity in net (loss)/income of affiliates	(1)	(2)	1	(1)
Income/(loss) from continuing operations	106	103	234	(8)
Loss from discontinued operations, net of tax				(1)
Net income/(loss)	106	103	234	(9)
Net income attributable to noncontrolling interests	1	1		2
Net income/(loss) attributable to Nielsen stockholders	\$ 105	\$ 102	\$ 234	\$ (11)
Net income/(loss) per share of common stock, basic				
Income/(loss) from continuing operations	\$ 0.29	\$ 0.28	\$ 0.65	\$ (0.03)
Net income/(loss) attributable to Nielsen stockholders	\$ 0.29	\$ 0.28	\$ 0.65	\$ (0.03)
Net income/(loss) per share of common stock, diluted				
Income/(loss) from continuing operations	\$ 0.29	\$ 0.28	\$ 0.64	\$ (0.03)
Net income/(loss) attributable to Nielsen stockholders	\$ 0.29	\$ 0.28	\$ 0.64	\$ (0.03)
Weighted-average shares of common stock outstanding, basic	362,016,373	359,381,233	361,477,554	349,910,371
Dilutive shares of common stock from stock compensation plans	4,205,147	5,090,571	4,511,519	

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Weighted-average shares of common stock outstanding, diluted	366,221,520	364,471,804	365,989,073	349,910,371
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The accompanying notes are an integral part of these condensed consolidated financial statements.

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Table of Contents**Nielsen Holdings N.V.****Condensed Consolidated Statements of Comprehensive Income (Unaudited)**

(IN MILLIONS)	Three Months Ended		Nine Months Ended	
	September 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011
Net income/(loss)	\$ 106	\$ 103	\$ 234	\$ (9)
Other comprehensive income/(loss), net of tax				
Foreign currency translation adjustments, net of tax	64	(216)	65	(158)
Available for sale securities, net of tax	(1)		(5)	
Changes in the fair value of cash flow hedges, net of tax		(3)	(1)	(3)
Defined benefit pension plan adjustments, net of tax	2		4	(1)
Total other comprehensive income/(loss)	65	(219)	63	(162)
Total comprehensive income/(loss)	171	(116)	297	(171)
Comprehensive income attributable to noncontrolling interests	1			2
Total comprehensive income/(loss) attributable to Nielsen stockholders	\$ 170	\$ (116)	\$ 297	\$ (173)

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)	September 30, 2012 (Unaudited)	December 31, 2011
Assets:		
Current assets		
Cash and cash equivalents	\$ 325	\$ 319
Trade and other receivables, net of allowances for doubtful accounts and sales returns of \$26 and \$24 as of September 30, 2012 and December 31, 2011, respectively	1,079	1,080
Prepaid expenses and other current assets	279	266
Total current assets	1,683	1,665
Non-current assets		
Property, plant and equipment, net	555	609
Goodwill	7,276	7,155
Other intangible assets, net	4,556	4,561
Deferred tax assets	114	198
Other non-current assets	312	316
Total assets	\$ 14,496	\$ 14,504
Liabilities and equity:		
Current liabilities		
Accounts payable and other current liabilities	\$ 914	\$ 1,025
Deferred revenues	370	443
Income tax liabilities	94	80
Current portion of long-term debt, capital lease obligations and short-term borrowings	428	144
Total current liabilities	1,806	1,692
Non-current liabilities		
Long-term debt and capital lease obligations	6,252	6,619
Deferred tax liabilities	936	996
Other non-current liabilities	521	556
Total liabilities	9,515	9,863
Commitments and contingencies (Note 10)		
Equity:		
Nielsen stockholders' equity		
Common stock, 0.07 par value, 1,185,000,000 shares authorized; 362,383,430 and 360,107,359 shares issued and 362,170,303 and 359,647,605 shares outstanding at September 30, 2012 and December 31, 2011, respectively	30	30
Additional paid-in capital	6,473	6,427