

Nielsen Holdings N.V.  
Form 10-Q  
April 28, 2011  
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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, 2011

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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<b>The Netherlands</b> (State or other jurisdiction of incorporation or organization)	<b>98-0662038</b> (I.R.S. Employer Identification No.)
<b>770 Broadway</b>	<b>Diemerhof 2</b>
<b>New York, New York 10003</b>	<b>1112 XL Diemen</b>
<b>(646) 654-5000</b>	<b>The Netherlands</b>
(Address of principal executive offices) (Zip Code) (Registrant's telephone numbers including area code)	<b>+31 (0) 20 398 87 77</b>

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 358,169,645 shares of the registrant's Common Stock outstanding as of March 31, 2011.

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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,	
	2011	2010
Revenues	\$ 1,302	\$ 1,196
Cost of revenues, exclusive of depreciation and amortization shown separately below	549	520
Selling, general and administrative expenses, exclusive of depreciation and amortization shown separately below	543	400
Depreciation and amortization	136	141
Restructuring charges	23	3
Operating income	51	132
Interest income	1	1
Interest expense	(140)	(162)
Loss on derivative instruments	(1)	(10)
Foreign currency exchange transaction gains, net	7	79
Other (expense)/income, net	(230)	9
(Loss)/income from continuing operations before income taxes and equity in net loss of affiliates	(312)	49
Benefit for income taxes	134	1
Equity in net loss of affiliates	(2)	(2)
(Loss)/income from continuing operations	(180)	48
Loss from discontinued operations, net of tax	(1)	(5)
Net (loss)/income	(181)	43
Net income attributable to noncontrolling interests	1	1
Net (loss)/income attributable to Nielsen stockholders	\$ (182)	\$ 42
Net (loss)/income per share of common stock, basic and diluted		
(Loss)/income from continuing operations	\$ (0.55)	\$ 0.17
Loss from discontinued operations, net of tax		(0.02)
Net (loss)/income attributable to Nielsen stockholders	\$ (0.55)	\$ 0.15
Weighted-average shares of common stock outstanding, basic	331,248,626	276,154,291
Dilutive shares of common stock		2,572,384
Weighted-average shares of common stock outstanding, diluted	331,248,626	278,726,675

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, 2011 (Unaudited)	December 31, 2010
<b>Assets:</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 396	\$ 421
Trade and other receivables, net of allowances for doubtful accounts and sales returns of \$36 as of March 31, 2011 and \$31 as of December 31, 2010	997	1,014
Prepaid expenses and other current assets	254	219
<b>Total current assets</b>	<b>1,647</b>	<b>1,654</b>
<b>Non-current assets</b>		
Property, plant and equipment, net	586	599
Goodwill	7,242	7,096
Other intangible assets, net	4,610	4,607
Deferred tax assets	222	61
Other non-current assets	383	412
<b>Total assets</b>	<b>\$ 14,690</b>	<b>\$ 14,429</b>
<b>Liabilities and equity:</b>		
<b>Current liabilities</b>		
Accounts payable and other current liabilities	\$ 889	\$ 962
Deferred revenues	447	452
Income tax liabilities	105	99
Current portion of long-term debt, capital lease obligations and short-term borrowings	149	94
<b>Total current liabilities</b>	<b>1,590</b>	<b>1,607</b>
<b>Non-current liabilities</b>		
Long-term debt and capital lease obligations	7,050	8,464
Deferred tax liabilities	934	942
Other non-current liabilities	550	520
<b>Total liabilities</b>	<b>10,124</b>	<b>11,533</b>
<b>Commitments and contingencies (Note 13)</b>		
<b>Equity:</b>		
<b>Nielsen stockholders' equity</b>		
Common stock, 0.07 par value, 1,000,000,000 shares authorized; 359,174,112 and 276,997,921 shares issued and 358,169,645 and 276,059,333 shares outstanding at March 31, 2011 and December 31, 2010, respectively	30	22
Additional paid-in capital	6,364	4,570
Accumulated deficit	(1,791)	(1,609)
Accumulated other comprehensive loss, net of income taxes	(48)	(96)
<b>Total Nielsen stockholders' equity</b>	<b>4,555</b>	<b>2,887</b>
<b>Noncontrolling interests</b>	<b>11</b>	<b>9</b>
<b>Total equity</b>	<b>4,566</b>	<b>2,896</b>

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<b>Total liabilities and equity</b>	\$ 14,690	\$ 14,429
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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,	
	2011	2010
<b>Operating Activities</b>		
Net (loss)/income	\$ (181)	\$ 43
Adjustments to reconcile net (loss)/income to net cash used in operating activities:		
Stock-based compensation expense	4	5
Loss on sale of discontinued operations, net of tax		3
Currency exchange rate differences on financial transactions and other gains	(8)	(88)
Loss on extinguishment of debt	231	
Loss on derivative instruments	1	10
Equity in net loss of affiliates, net of dividends received	6	5
Depreciation and amortization	136	141
Changes in operating assets and liabilities, net of effect of businesses acquired and divested:		
Trade and other receivables, net	57	24
Prepaid expenses and other current assets	(25)	(11)
Accounts payable and other current liabilities and deferred revenues	(155)	(137)
Other non-current liabilities	2	(8)
Interest payable	47	14
Income taxes	(167)	(30)
Net cash used in operating activities	(52)	(29)
<b>Investing Activities</b>		
Acquisition of subsidiaries and affiliates, net of cash acquired	(60)	(14)
Proceeds from sale of subsidiaries and affiliates, net		29
Additions to property, plant and equipment and other assets	(20)	(26)
Additions to intangible assets	(32)	(27)
Other investing activities	(1)	6
Net cash used in investing activities	(113)	(32)
<b>Financing Activities</b>		
Proceeds from issuances of debt, net of issuance costs	277	
Repayment of debt	(1,751)	(28)
Increase/(decrease) in other short-term borrowings	12	(2)
Proceeds from the issuance of common stock, net of issuance costs	1,801	
Activity under stock plans	(2)	(1)
Other financing activities including debt extinguishment costs	(212)	(1)
Net cash provided by/(used in) financing activities	125	(32)
Effect of exchange-rate changes on cash and cash equivalents	15	(11)
Net decrease in cash and cash equivalents	(25)	(104)
Cash and cash equivalents at beginning of period	421	514
Cash and cash equivalents at end of period	\$ 396	\$ 410

**Supplemental Cash Flow Information**

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Cash paid for income taxes	\$ (31)	\$ (27)
Cash paid for interest, net of amounts capitalized	\$ (93)	\$ (147)

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



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**Nielsen Holdings N.V.**

**Notes to Condensed Consolidated Financial Statements (continued)**

**1. Background and Basis of Presentation**

***Background***

Nielsen Holdings N.V. ( Nielsen or the Company ), together with its subsidiaries, is a leading global information and measurement company that provides clients with a comprehensive understanding of consumers and consumer behavior. Nielsen is aligned into three reporting segments: What Consumers Buy ( Buy ), What Consumers Watch ( Watch ) and Expositions. Nielsen has a presence in approximately 100 countries, with its headquarters located in Diemen, the Netherlands and New York, USA.

***Basis of Presentation***

The accompanying condensed consolidated financial statements are unaudited but, in the opinion of management, contain all the adjustments (consisting of those of a normal recurring nature) considered necessary to present fairly the Company s financial position and the results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the U.S. ( U.S. GAAP ) applicable to interim perio