

DUN & BRADSTREET CORP/NW
Form 10-Q
May 08, 2012
Table of Contents

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 March 31, 2012

OR

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

For the transition period from _____ to _____

Commission file number 1-15967

The Dun & Bradstreet Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

22-3725387
(I.R.S. Employer Identification No.)

103 JFK Parkway, Short Hills, NJ
(Address of principal executive offices)

07078
(Zip Code)

Registrant's telephone number, including area code: (973) 921-5500

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 the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

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(Check one:)

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Title of Class	Shares Outstanding at March 31, 2012
Common Stock,	47,863,610
par value \$0.01 per share	

Table of Contents

THE DUN & BRADSTREET CORPORATION

INDEX TO FORM 10-Q

	Page
<u>PART I. FINANCIAL INFORMATION</u>	3
Item 1. <u>Financial Statements</u>	3
<u>Consolidated Statements of Operations and Comprehensive Income for the Three Months Ended March 31, 2012 and 2011 (Unaudited)</u>	3
<u>Consolidated Balance Sheets as of March 31, 2012 and December 31, 2011 (Unaudited)</u>	4
<u>Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2012 and 2011 (Unaudited)</u>	5
<u>Consolidated Statements of Shareholders' Equity (Deficit) for the Three Months Ended March 31, 2012 and 2011 (Unaudited)</u>	6
<u>Notes to Consolidated Financial Statements (Unaudited)</u>	7
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	31
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	55
Item 4. <u>Controls and Procedures</u>	55
<u>PART II. OTHER INFORMATION</u>	56
Item 1. <u>Legal Proceedings</u>	56
Item 1a. <u>Risk Factors</u>	56
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	56
Item 6. <u>Exhibits</u>	58
<u>Signatures</u>	59

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****The Dun & Bradstreet Corporation****Consolidated Statements of Operations and Comprehensive Income (Unaudited)**

	Three Months Ended March 31,	
	2012	2011
	(Amounts in \$millions, except per share data)	
Revenue	\$ 402.8	\$ 403.6
Operating Expenses	144.6	137.2
Selling and Administrative Expenses	154.5	153.5
Depreciation and Amortization	20.2	19.4
Restructuring Charge	9.1	4.2
Operating Costs	328.4	314.3
Operating Income	74.4	89.3
Interest Income	0.1	0.4
Interest Expense	(9.1)	(9.2)
Other Income (Expense) - Net	6.6	(3.3)
Non-Operating Income (Expense) - Net	(2.4)	(12.1)
Income Before Provision for Income Taxes and Equity in Net Income of Affiliates	72.0	77.2
Less: Provision for Income Taxes	8.3	29.1
Equity in Net Income of Affiliates	0.4	0.2
Net Income	64.1	48.3
Less: Net (Income) Loss Attributable to the Noncontrolling Interest	(0.7)	1.6
Net Income Attributable to D&B	\$ 63.4	\$ 49.9
Basic Earnings Per Share of Common Stock		
Attributable to D&B Common Shareholders	\$ 1.33	\$ 1.00
Diluted Earnings Per Share of Common Stock		
Attributable to D&B Common Shareholders	\$ 1.32	\$ 1.00
Weighted Average Number of Shares Outstanding-Basic	47.7	49.5
Weighted Average Number of Shares Outstanding-Diluted	48.1	50.0
Cash Dividend Paid Per Common Share	\$ 0.38	\$ 0.36
Other Comprehensive Income, Net of Tax		
Net Income (from above)	\$ 64.1	\$ 48.3
Foreign Currency Translation Adjustments, no Tax Impact	29.6	14.1
Defined Benefit Pension Plans:		
Prior Service Costs, Net of Tax Income of \$0.8 and \$0.6 at March 31, 2012 and 2011, respectively	(1.5)	(1.8)

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Net Loss, Net of Tax Income (Expense) of (\$2.9) and (\$1.9) at March 31, 2012 and 2011, respectively	5.4	5.4
Derivative Financial Instruments, No Tax Impact	0.3	0.7
Comprehensive Income, Net of Tax	97.9	66.7
Less: Comprehensive Income (Loss) Attributable to the Noncontrolling Interest	(0.8)	1.5
Comprehensive Income Attributable to D&B	\$ 97.1	\$ 68.2

The accompanying notes are an integral part of the unaudited consolidated financial statements.

Table of Contents

The Dun & Bradstreet Corporation
Consolidated Balance Sheets (Unaudited)

	March 31, 2012	December 31, 2011
	(Amounts in millions, except per share data)	
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 117.7	\$ 84.4
Accounts Receivable, Net of Allowance of \$24.8 at March 31, 2012 and \$17.1 at December 31, 2011	436.2	507.5
Other Receivables	6.4	5.7
Prepaid Taxes	1.7	1.5
Deferred Income Tax	26.9	32.1
Other Prepays	43.0	55.1
Assets Held for Sale	0.0	32.7
Other Current Assets	2.8	7.9
Total Current Assets	634.7	726.9
Non-Current Assets		
Property, Plant and Equipment, Net of Accumulated Depreciation of \$85.2 at March 31, 2012 and \$83.1 at December 31, 2011	43.6	45.7
Computer Software, Net of Accumulated Amortization of \$425.9 at March 31, 2012 and \$409.9 at December 31, 2011	132.7	127.6
Goodwill	618.0	598.4
Deferred Income Tax	244.9	243.1
Other Receivables	60.8	58.4
Other Intangibles	113.2	116.1
Other Non-Current Assets	55.9	60.9
Total Non-Current Assets	1,269.1	1,250.2
Total Assets	\$ 1,903.8	\$ 1,977.1
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 40.7	\$ 36.4
Accrued Payroll	67.8	117.4
Accrued Income Tax	4.6	17.7
Liabilities Held for Sale	0.0	29.1
Short-Term Debt	1.0	1.1
Other Accrued and Current Liabilities	150.6	153.6
Deferred Revenue	631.0	598.2
Total Current Liabilities	895.7	953.5
Pension and Postretirement Benefits	595.3	604.0
Long-Term Debt	841.8	963.9
Liabilities for Unrecognized Tax Benefits	134.7	129.5
Other Non-Current Liabilities	64.6	66.4
Total Liabilities	2,532.1	2,717.3
Contingencies (Note 7)		
EQUITY		
D&B SHAREHOLDERS EQUITY (DEFICIT)		
Series A Junior Participating Preferred Stock, \$0.01 par value per share, authorized - 0.5 shares; outstanding - none	0.0	0.0

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Preferred Stock, \$0.01 par value per share, authorized - 9.5 shares; outstanding - none	0.0	0.0
Series Common Stock, \$0.01 par value per share, authorized - 10.0 shares; outstanding - none	0.0	0.0
Common Stock, \$0.01 par value per share, authorized - 200.0 shares; issued - 81.9 shares	0.8	0.8
Capital Surplus	261.0	239.0
Retained Earnings	2,224.4	2,179.3
Treasury Stock, at cost, 34.1 shares at March 31, 2012 and 34.2 shares at December 31, 2011	(2,345.5)	(2,356.3)
Accumulated Other Comprehensive Income (Loss)	(773.0)	(806.7)
Total D&B Shareholders' Equity (Deficit)	(632.3)	(743.9)
Noncontrolling Interest	4.0	3.7
Total Equity (Deficit)	(628.3)	(740.2)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 1,903.8	\$ 1,977.1

The accompanying notes are an integral part of the unaudited consolidated financial statements.

Table of Contents

The Dun & Bradstreet Corporation
Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended	
	March 31,	
	2012	2011
	(Amounts in millions)	
Cash Flows from Operating Activities:		
Net Income	\$ 64.1	\$ 48.3
Reconciliation of Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	20.2	19.4
Amortization of Unrecognized Pension Loss	5.9	3.9
Gain from Sales of Business / Investments	(6.0)	0.0
Impairment of Assets	12.9	0.0
Income Tax Benefit from Stock-Based Awards	3.0	3.5
Excess Tax Benefit on Stock-Based Awards	(0.5)	(0.6)
Equity Based Compensation	3.1	3.6
Restructuring Charge	9.1	4.2
Restructuring Payments	(5.0)	(4.1)
Deferred Income Taxes, Net	3.8	6.3
Accrued Income Taxes, Net	(21.7)	6.5
Changes in Current Assets and Liabilities:		
Decrease in Accounts Receivable	65.9	62.9
Decrease in Other Current Assets	15.9	8.1
Increase in Deferred Revenue	27.8	26.4
Increase in Accounts Payable	2.6	