

DUN & BRADSTREET CORP/NW  
Form 10-Q  
May 08, 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 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:

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

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**THE DUN & BRADSTREET CORPORATION**

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## The Dun &amp; Bradstreet Corporation

## Consolidated Statements of Operations and Comprehensive Income (Unaudited)

	Three Months Ended	
	2012	2011
	March 31,	
	(Amounts in \$millions, except per share data)	
<b>Revenue</b>	\$ 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
<b>Operating Costs</b>	328.4	314.3
<b>Operating Income</b>	74.4	89.3
Interest Income	0.1	0.4
Interest Expense	(9.1)	(9.2)
Other Income (Expense) - Net	6.6	(3.3)
<b>Non-Operating Income (Expense) - Net</b>	(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
<b>Net Income</b>	64.1	48.3
Less: Net (Income) Loss Attributable to the Noncontrolling Interest	(0.7)	1.6
<b>Net Income Attributable to D&amp;B</b>	\$ 63.4	\$ 49.9
<b>Basic Earnings Per Share of Common Stock</b>		
<b>Attributable to D&amp;B Common Shareholders</b>	\$ 1.33	\$ 1.00
<b>Diluted Earnings Per Share of Common Stock</b>		
<b>Attributable to D&amp;B Common Shareholders</b>	\$ 1.32	\$ 1.00
<b>Weighted Average Number of Shares Outstanding-Basic</b>	47.7	49.5
<b>Weighted Average Number of Shares Outstanding-Diluted</b>	48.1	50.0
Cash Dividend Paid Per Common Share	\$ 0.38	\$ 0.36
<b>Other Comprehensive Income, Net of Tax</b>		
Net Income (from above)	\$ 64.1	\$ 48.3
Foreign Currency Translation Adjustments, no Tax Impact	29.6	14.1
<b>Defined Benefit Pension Plans:</b>		
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
<b>Comprehensive Income, Net of Tax</b>	97.9	66.7
Less: Comprehensive Income (Loss) Attributable to the Noncontrolling Interest	(0.8)	1.5
<b>Comprehensive Income Attributable to D&amp;B</b>	\$ 97.1	\$ 68.2

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

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**The Dun & Bradstreet Corporation**  
**Consolidated Balance Sheets (Unaudited)**

	March 31, 2012	December 31, 2011
	(Amounts in millions, except per share data)	
<b>ASSETS</b>		
<b>Current Assets</b>		
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
<b>Total Current Assets</b>	<b>634.7</b>	<b>726.9</b>
<b>Non-Current Assets</b>		
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
<b>Total Non-Current Assets</b>	<b>1,269.1</b>	<b>1,250.2</b>
<b>Total Assets</b>	<b>\$ 1,903.8</b>	<b>\$ 1,977.1</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
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
<b>Total Current Liabilities</b>	<b>895.7</b>	<b>953.5</b>
<b>Pension and Postretirement Benefits</b>	<b>595.3</b>	<b>604.0</b>
<b>Long-Term Debt</b>	<b>841.8</b>	<b>963.9</b>
<b>Liabilities for Unrecognized Tax Benefits</b>	<b>134.7</b>	<b>129.5</b>
<b>Other Non-Current Liabilities</b>	<b>64.6</b>	<b>66.4</b>
<b>Total Liabilities</b>	<b>2,532.1</b>	<b>2,717.3</b>
<b>Contingencies (Note 7)</b>		
<b>EQUITY</b>		
<b>D&amp;B SHAREHOLDERS EQUITY (DEFICIT)</b>		
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)
<b>Noncontrolling Interest</b>	<b>4.0</b>	<b>3.7</b>
<b>Total Equity (Deficit)</b>	<b>(628.3)</b>	<b>(740.2)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,903.8</b>	<b>\$ 1,977.1</b>

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

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2012</b>	<b>2011</b>
	<b>(Amounts in millions)</b>	
<b>Cash Flows from Operating Activities:</b>		
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	