

NII Holdings Inc has filed for bankruptcy protection... Let's see what the reporting history shows!

NII Holdings Inc

Phone: (703) 390-5100

Suite 1000, 1875 Explorer Street
Reston, VA 20190 United States

Ticker: [NIHD](#)

Filed for Bankruptcy on 9/15/2014
Case # 14-12611, filed in the U.S. Bankruptcy Court for the Southern District of New York (Manhattan)

Latest Financial Statements as of 6/30/2014

Business Summary

NII Holdings, Inc. (NII Holdings) is a holding company for the operations of Nextel Communications, Inc. in selected International markets. The Company provides wireless communication services under the Nextel brand. It provides its services through operating companies located in Brazil, Mexico, Argentina, Peru and Chile, with its principal operations located in business centers and related transportation corridors of these countries. The Company's networks utilize integrated digital enhanced network, or iDEN, technology developed by Motorola, Inc. to provide its mobile services on its 800 mega hertz spectrum holdings in all of its markets. In August 2013, NII Holdings Inc announced it has completed sale of its Peruvian operations to Empresa Nacional De Telecomunicaciones SA. In November 2013, NII Holdings, Inc sold 1,483 communications sites in Mexico to American Tower Corporation.

Employees: 13,600 (as of 12/31/2013)

Federal Tax Id: 911671412

Credit Scores

ERISK® Score 1 9/13/2014
Probability of bankruptcy range: 9.99% - 50.00%
Z" Score -5.90 (Fiscal danger) 6/30/2014

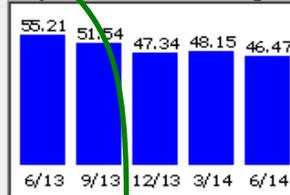
Auditor Information

Last Audit: 12/31/2013
Auditors: PricewaterhouseCoopers LLP
Opinion: **Unqualified**

Agency Credit Ratings

| Rating Agency | Long Term Rating | Outlook | Short Term Rating | Watch |
|---------------|------------------|----------|-------------------|-------|
| Moody's | Caa2 | Negative | SGL-4 | OFF |
| S&P | D | NM | | NM |

Days Sales Outstanding



DBT Index

| 6/2014 | 7/2014 | 8/2014 |
|--------|--------|--------|
| 8 | 7 | 10 |

(Includes DBT Indexes from Subsidiaries)

Second Quarter and Year-to-Date Results

Sales for the 3 months ended 6/30/2014 decreased 23.09% to \$968.75 million amount of \$1.26 billion. Sales for the 6 months ended 6/30/2014 decreased billion for the same period last year.

Gross profit margin decreased 48.19% for the period to 33.1% (50.23% of revenues) for the same period last year. Gross profit margin decreased to 35.82% of revenues) from 52.43% of month period last year.

Selling, general and administrative expenses for the period decreased 9.08% to \$531.80 million for the same period last year. Selling, general and administrative 6/30/2014 decreased 9.23% to \$934.27 million from \$1.03 billion for the same

Operating income for the period decreased 515.06% to (\$504.38) million compared with operating income of (\$82.01) million for the same period last year. Operating income for the year-to-date period decreased 360.29% to (\$743.46) million compared with operating income of (\$161.52) million for the equivalent 6 months last year.

Net loss for the period increased 57.26% to (\$623.31) million compared with net loss of (\$396.35) million for the same period last year. Net loss for the year-to-date period increased 65.50% to (\$999.39) million compared with net loss of (\$603.86) million for the equivalent 6 months last year.

Net cash from operating activities was (\$803.05) million for the 6 month period, compared to net cash from operating activities of (\$63.43) million for last year's comparable period.

Working capital at 6/30/2014 of (\$4.89) billion decreased 434.47% from the prior year end's balance of \$1.46 billion, and decreased 305.90% from \$2.37 billion at the end of last year's same period.

Inventories increased by \$30.98 million for the year-to-date period, compared to an \$18.95 million decrease in the prior year's comparable period.

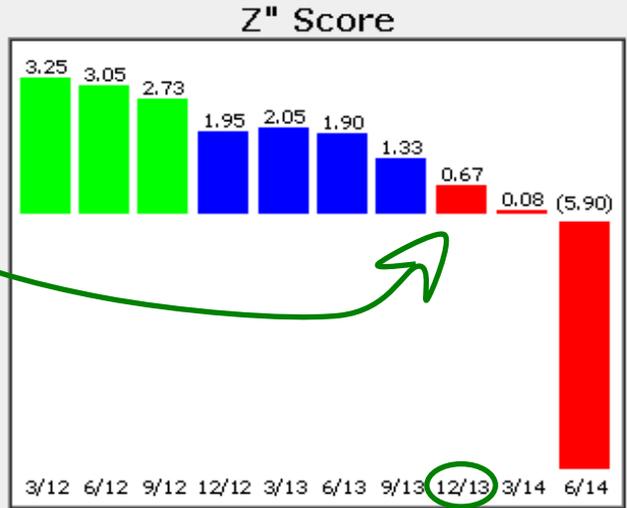
Accounts payable decreased by \$104.55 million for the year-to-date period, compared to a \$126.77 million decrease in the prior year's comparable period.

The DBT Index shows no past due balances for six consecutive periods prior to the bankruptcy...
...the FRISK® tells the real story with 95% accuracy...

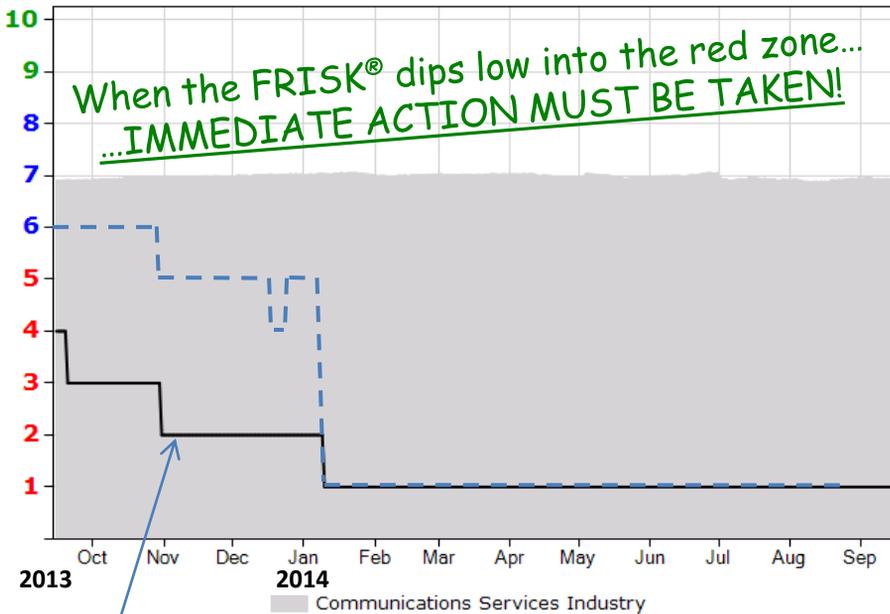
The Altman Z" first signaled trouble near the end of 2013...

LEGEND:

- Financially sound: 2.60 or higher
- Neutral: 1.10 to 2.60
- Fiscal danger: less than 1.10



The current FRISK® score is 1 (probability of bankruptcy* 9.99% - 50%), near its 13-month average but below its industry average.



The FRISK® Score is reported on a 1 to 10 scale:

Note: at the end of July 2014, CreditRiskMonitor implemented a new and improved version of the FRISK® score. The new score is shown above in the solid black line. The dotted blue line was the previous version of the score.

| FRISK® | Probability of bankruptcy within 12 months | |
|---------|--|--------|
| | From | To |
| Best 10 | 0.00% | 0.12% |
| 9 | 0.12% | 0.27% |
| 8 | 0.27% | 0.34% |
| 7 | 0.34% | 0.55% |
| 6 | 0.55% | 0.87% |
| 5 | 0.87% | 1.40% |
| 4 | 1.40% | 2.10% |
| 3 | 2.10% | 4.00% |
| 2 | 4.00% | 9.99% |
| Worst 1 | 9.99% | 50.00% |

CreditRiskMonitor

(845) 230-3000
info@crmz.com

...plus looking at our News Alerts you would have seen...

| News Summary (CRMZ selected Moody's Fitch All) Next Page | | | | |
|---|-----------|---------------------------|--|--|
| # | Date | Source | Headline | |
| 1 | 9/15/2014 | Business Wire | Statement from Aurelius Capital Management, LP: Aurelius Supports NII's Swift Emergence from Chapter 11 | |
| 2 | 9/15/2014 | CRMZ News Service | NII Holdings Files for Chapter 11 Bankruptcy Protection | |
| 3 | 9/15/2014 | CRMZ News Service | NII HOLDINGS INC FILES (8-K) Disclosing Bankruptcy or Receivership, Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement. | |
| 4 | 9/15/2014 | PR Newswire | NII Holdings Announces Voluntary Filing For Relief Under Chapter 11 | |
| 5 | 8/20/2014 | CRMZ News Service | NII HOLDINGS INC FILES (8-K) Disclosing Completion of Acquisition or Disposition of Assets, Financial Statements and Exhibits | |
| 6 | 8/20/2014 | CRMZ News Service | NII Holdings Inc -- updated S&P ratings available | |
| 7 | 8/19/2014 | CRMZ News Service | Companies To Watch: Yerso Paper Corp., NII Holdings Inc. | |
| 8 | 8/19/2014 | CRMZ News Service | NII Holdings Strikes Deal to Sell Chilean Nextel Subsidiary | |
| 9 | 8/19/2014 | CRMZ News Service | NII Holdings Inc -- updated financials available | |
| 10 | 8/18/2014 | CRMZ News Service | NII HOLDINGS INC FILES (8-K) Disclosing Other Events | |
| 11 | 8/15/2014 | CRMZ News Service | NII HOLDINGS INC FILES (8-K) Disclosing Regulation FD Disclosure | |
| 12 | 8/15/2014 | PR Newswire | NII Holdings Announces Decision On Payment Of Interest On Its Senior Notes | |
| 13 | 8/13/2014 | CRMZ News Service | NII Holdings Inc -- updated S&P ratings available | |
| 14 | 8/13/2014 | CRMZ News Service | NII Holdings Inc -- updated Moody's rating available | |
| 15 | 8/13/2014 | CRMZ News Service | Wireless Provider NII Holding Warns of Likely Chapter 11 | |
| 16 | 8/12/2014 | Moody's Investors Service | Moody's downgrades NII to Caa2; outlook remains negative | |
| 17 | 8/12/2014 | CRMZ News Service | NII HOLDINGS INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits | |
| 18 | 8/11/2014 | PR Newswire | NII Holdings Announces Second Quarter 2014 Results | |
| 19 | 8/11/2014 | CRMZ News Service | NII HOLDINGS INC: a Form 10-Q has been Filed with the SEC | |
| 20 | 8/8/2014 | PR Newswire | NII Holdings To Announce Second Quarter 2014 Results On Monday, August 11 | |
| 21 | 7/15/2014 | CRMZ News Service | Moody's List of Companies at Risk of Default Grows | |
| 22 | 7/8/2014 | CRMZ News Service | NII HOLDINGS INC FILES (8-K) Disclosing Change in Directors or Principal Officers | |
| 23 | 7/8/2014 | PR Newswire | NII Holdings, Inc. Announces Changes To Executive Management Team | |
| 24 | 6/6/2014 | CRMZ News Service | NII HOLDINGS INC FILES (8-K) Disclosing Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing | |
| 25 | 5/15/2014 | CRMZ News Service | NII Holdings Inc -- updated financials available | |
| 26 | 5/12/2014 | CRMZ News Service | NII HOLDINGS INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits | |
| 27 | 5/12/2014 | CRMZ News Service | NII HOLDINGS INC: a Form 10-Q has been Filed with the SEC | |
| 28 | 4/29/2014 | CRMZ News Service | NII HOLDINGS INC: a Form 10-K/A has been Filed with the SEC | |
| 29 | 4/4/2014 | CRMZ News Service | NII Holdings Inc -- updated financials available | |

Filing for Chapter 11

Agency Rating Downgrades

Warning of a "likely" Chapter 11 filing, due to the Company's poor financial performance, along with the potential inability to satisfy certain financial covenants under its existing debt obligations

Included on Moody's list of companies at risk of default

Warning from the NASDAQ Stock Market of non-compliance with the continued listing rule regarding the allowed minimum price per share

2013 Annual Net Loss of \$1.6 BN

Sale of the Company's Chilean subsidiary only weeks prior to the bankruptcy

Decision to skip \$118.8 MM interest payment due 8/15/2014

2014 Q2 10-Q filing - YTD Net Loss of \$999.4 MM

Resignation of Interim President, Nextel Mexico/ President, Argentina and Chile Operations

2014 Q1 10-Q filing - Net Loss of \$376.1 MM

...need more depth? Look at the Performance Ratios

Persistent decline in sales coupled with heavy losses...

Performance Ratios - Sequential Quarters
(Thousands of U.S. Dollars)

| Period Ended | 3 mos 6/30/2014 | 3 mos 3/31/2014 | 3 mos 12/31/2013 | 3 mos 9/30/2013 | 2 mos 6/30/2013 |
|-----------------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| Net Sales \$ | \$968,752 | \$970,214 | \$1,080,900 | \$1,101,265 | \$1,259,560 |
| % change | -0.15% | -10.24% | -1.85% | -12.57% | -5.36% |
| Gross Margin \$ | \$327,784 | \$366,826 | \$510,765 | \$519,711 | \$632,688 |
| % change | -10.64% | -28.18% | -1.72% | -17.86% | -12.79% |
| % of sales | 33.84% | 37.81% | 47.25% | 47.19% | 50.23% |
| change as % of incremental sales | n/m | n/m | n/m | n/m | n/m |
| SG&A \$ | \$483,515 | \$450,757 | \$518,470 | \$482,273 | \$531,798 |
| % change | 7.27% | -13.06% | 7.51% | -9.31% | 6.89% |
| % of sales | 49.91% | 46.46% | 47.97% | 43.79% | 42.22% |
| change as % of incremental sales | n/m | n/m | n/m | n/m | n/m |
| Operating margin \$ | (\$504,382) | (\$239,080) | (\$186,580) | (\$162,757) | (\$82,005) |
| % change | -110.97% | -28.14% | -14.64% | -98.47% | -3.13% |
| % of sales | -52.07% | -24.64% | -17.26% | -14.78% | -6.51% |
| change as % of incremental sales | n/m | n/m | n/m | n/m | n/m |
| EBITDA \$ | (\$314,281) | (\$86,094) | (\$35,890) | \$20,569 | \$91,776 |
| % change | -265.04% | -139.88% | -274.49% | -77.47% | -7.88% |
| % of sales | -32.44% | -8.87% | -3.32% | 1.87% | 7.25% |
| change as % of incremental sales | n/m | n/m | n/m | n/m | n/m |
| Pre-tax income \$ | (\$600,571) | (\$371,060) | (\$374,284) | (\$288,793) | (\$336,086) |
| % change | -61.85% | 0.86% | -29.60% | 14.07% | -10.68% |
| % of sales | -61.99% | -38.25% | -34.63% | -26.22% | -26.68% |
| change as % of incremental sales | n/m | n/m | n/m | n/m | n/m |
| Net income (loss) \$ | (\$623,311) | (\$376,079) | (\$745,803) | (\$299,941) | (\$396,351) |
| % change | -65.74% | 49.57% | -148.65% | 24.32% | -91.01% |
| % of sales | -64.34% | -38.76% | -69.00% | -27.24% | -31.47% |
| change as % of incremental sales | n/m | n/m | n/m | n/m | n/m |
| Tax expense \$ | \$28,671 | \$5,040 | \$371,326 | \$4,338 | \$48,770 |
| Effective tax rate | -4.77% | -1.36% | -99.21% | -1.50% | -14.51% |
| Depreciation expense \$ | \$170,335 | \$140,555 | \$137,999 | \$162,665 | \$166,072 |
| % of sales | 17.58% | 14.49% | 12.77% | 14.77% | 13.18% |
| % of capital expenses | 83.64% | 77.09% | 83.24% | 113.61% | 99.46% |
| % of PP&E, net (annualized) | 20.48% | 16.58% | 16.37% | 19.52% | 18.53% |
| Capital expenditures \$ | \$203,648 | \$182,327 | \$165,783 | \$143,183 | \$166,982 |
| % change | 11.69% | 9.98% | 15.78% | -14.25% | -30.94% |
| % of PP&E, net (annualized) | 24.48% | 21.50% | 19.66% | 17.19% | 18.64% |
| % of working capital (annualized) | -42.76% | 57.41% | 38.24% | 26.15% | 28.68% |
| Interest coverage ratio | (2.61) | (0.61) | (0.20) | 0.15 | 0.37 |
| % change | -325.15% | -213.59% | -228.48% | -58.97% | -58.67% |
| Free cash flow \$ | (\$521,138) | (\$667,886) | (\$255,517) | (\$170,149) | (\$91,750) |
| % change | 21.97% | -161.39% | -50.17% | -85.45% | 75.88% |
| Source: | 10-Q 8/11/2014 | 10-Q 5/12/2014 | 10-K 2/28/2014 | 10-Q 10/31/2013 | 10-Q 8/11/2014 |

Consistently negative free cash flow...

...need more depth? Look at the Leverage Ratios

Sharp decrease in stockholders' equity and tangible net worth, with both values falling negative...

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

| Period Ended | 6/30/2014 | 3/31/2014 | 12/31/2013 | 9/30/2013 | 6/30/2013 |
|--|----------------------|----------------------|--------------------|--------------------|--------------------|
| Total debt \$ | \$5,776,896 | \$5,852,825 | \$5,793,471 | \$5,791,057 | \$5,734,459 |
| % change | -1.30% | 1.02% | 0.04% | 0.99% | 0.57% |
| Stockholders' equity \$ | (\$583,547) | (\$8,765) | \$355,387 | \$1,217,764 | \$1,528,927 |
| % change | -6,557.70% | -102.47% | -70.82% | -20.09% | -80.43% |
| Total debt to equity ratio | n/a | n/a | 16.30 | 4.76 | 3.76 |
| % change | n/a | n/a | 242.80% | 26.38% | 44.54% |
| Tangible net worth \$ | (\$1,603,095) | (\$1,021,889) | (\$638,282) | \$175,380 | \$474,953 |
| % change | -56.88% | -60.10% | -463.94% | -63.07% | -52.73% |
| Total debt to tangible net worth | n/a | n/a | n/a | 33.02 | 12.07 |
| % change | n/a | n/a | n/a | 173.49% | 112.74% |
| Total assets \$ | \$7,438,786 | \$8,189,665 | \$8,679,954 | \$8,875,608 | \$8,981,803 |
| % change | -9.17% | -5.65% | -2.20% | -1.18% | -7.26% |
| Total debt to assets ratio | 0.78 | 0.71 | 0.67 | 0.65 | 0.64 |
| % change | 8.66% | 7.07% | 2.30% | 2.19% | 8.44% |
| Net tangible assets \$ | \$6,419,238 | \$7,176,541 | \$7,686,285 | \$7,833,224 | \$7,932,829 |
| % change | -10.55% | -6.63% | -1.88% | -1.26% | -6.67% |
| Short-term debt \$ | \$5,555,298 | \$103,535 | \$96,839 | \$93,297 | \$81,404 |
| % change | 5,265.62% | 6.91% | 3.80% | 14.61% | -27.99% |
| Short-term debt % of total debt | 96.16% | 1.77% | 1.67% | 1.61% | 1.42% |
| % change | 5,336.07% | 5.83% | 3.75% | 13.49% | -28.39% |
| Short-term debt % of working capital | -113.64% | 9.60% | 6.63% | 4.65% | 3.43% |
| % change | -1,284.18% | 44.84% | 42.48% | 35.63% | -30.74% |
| Total liabilities \$ | \$8,022,333 | \$8,198,430 | \$8,324,567 | \$7,657,844 | \$7,457,876 |
| % change | -2.15% | -1.52% | 8.71% | 2.68% | -0.49% |
| Total liabilities to equity ratio | n/a | n/a | 23.42 | 6.29 | 4.89 |
| % change | n/a | n/a | 272.49% | 28.49% | 43.03% |
| Total liabilities to tangible net worth ratio | n/a | n/a | n/a | 43.66 | 15.70 |
| % change | n/a | n/a | n/a | 178.08% | 110.50% |
| Source: | 10-Q 8/11/2014 | 10-Q 5/12/2014 | 10-Q 5/12/2014 | 10-Q 10/31/2013 | 10-Q 8/1/2013 |

As a result of the Company's non-compliance with covenants, it must reclassify its debt from long-term to short-term, raising a major red flag!!!

...need more depth? Look at the Liquidity Ratios and Rates of Return

Steep drop in working capital due to reclassification of debt...

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

| Period Ended | 6/30/2014 | 3/31/2014 | 12/31/2013 | 9/30/2013 | 6/30/2013 |
|-------------------------------|----------------------|--------------------|--------------------|--------------------|--------------------|
| Current assets \$ | \$2,572,977 | \$3,190,532 | \$3,748,186 | \$3,536,844 | \$3,791,482 |
| % change | -19.36% | -14.88% | 5.98% | -6.72% | -0.18% |
| % of short-term debt | 21.32% | 3,081.60% | 3,870.53% | 3,790.95% | 4,657.61% |
| Current liabilities \$ | \$7,461,628 | \$2,111,610 | \$2,286,590 | \$1,530,563 | \$1,417,188 |
| % change | 253.36% | -7.65% | 49.40% | 8.00% | -6.45% |
| Working capital \$ | (\$4,888,651) | \$1,078,922 | \$1,461,596 | \$2,006,281 | \$2,374,294 |
| % change | -553.11% | -26.18% | -27.15% | -15.50% | 3.98% |
| % of sales (annualized) | -126.16% | 27.80% | 33.81% | 45.54% | 47.13% |
| Cash \$ | \$946,613 | \$1,604,977 | \$2,319,543 | \$1,897,355 | \$1,781,690 |
| % change | -41.02% | -30.81% | 22.25% | 6.49% | -7.61% |
| % of short-term debt | 17.04% | 1,550.18% | 2,395.26% | 2,033.67% | 2,188.70% |
| Cash ratio | 0.13 | 0.76 | 1.01 | 1.24 | 1.26 |
| % change | -83.30% | -25.07% | -18.17% | -1.40% | -1.24% |
| Quick assets \$ | \$1,431,798 | \$2,106,427 | \$2,842,106 | \$2,496,438 | \$2,426,612 |
| % change | -32.03% | -25.89% | 13.85% | 2.88% | -13.57% |
| % of short-term debt | 25.77% | 2,034.51% | 2,934.88% | 2,675.80% | 2,980.95% |
| Quick ratio | 0.19 | 1.00 | 1.24 | 1.63 | 1.71 |
| % change | -80.76% | -19.74% | -23.80% | -4.74% | -7.61% |
| Current ratio | 0.34 | 1.51 | 1.64 | 2.31 | 2.68 |
| % change | -77.18% | -7.83% | -29.06% | -13.63% | 6.70% |
| Source: | 10-Q 8/11/2014 | 10-Q 5/12/2014 | 10-Q 5/12/2014 | 10-Q 10/31/2013 | 10-Q 8/1/2013 |

Poor quick and current ratios...

Rates of Return - Sequential Quarters

(Thousands of U.S. Dollars)

| Period Ended | 3 mos 6/30/2014 | 3 mos 3/31/2014 | 3 mos 12/31/2013 | 3 mos 9/30/2013 | 3 mos 6/30/2013 |
|--------------------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| Return on equity | n/a | -105.82% | -61.24% | -19.68% | -18.10% |
| % change | n/a | -72.79% | -211.16% | -8.77% | -102.01% |
| Return on net tangible equity | n/a | n/a | -425.25% | -63.15% | -39.45% |
| % change | n/a | n/a | -573.38% | -60.09% | -126.43% |
| Return on total assets | -7.98% | -4.46% | -8.50% | -3.36% | -4.25% |
| % change | -78.90% | 47.52% | -152.92% | 20.89% | -93.48% |
| Return on net tangible assets | -9.17% | -5.06% | -9.61% | -3.80% | -4.82% |
| % change | -81.18% | 47.35% | -152.60% | 21.13% | -92.92% |
| Source: | 10-Q 8/11/2014 | 10-Q 5/12/2014 | 10-K 2/28/2014 | 10-Q 10/31/2013 | 10-Q 8/11/2014 |

Unable to generate any positive returns...

...need more depth? Look at the Annual Statement of Cash Flows

Negative cash flows from operating activities...

| Statement of Cash Flows - Annual - Standardized | | | | | |
|---|--|--|--|--|---|
| (Thousands of U.S. Dollars) | | | | | |
| Period Ended | 12 mos 12/31/2013 | 12 mos 12/31/2012 | 12 mos 12/31/2011 | 12 mos 12/31/2010 | 12 mos 12/31/2009 |
| | | Restated 12/31/2013 | Restated 12/31/2013 | Reclassified 12/31/2012 | Reclassified 12/31/2011 |
| Cash Flows from Operating Activities: | | | | | |
| Net income | (\$1,649,599) | (\$765,249) | \$225,196 | \$338,458 | \$370,002 |
| Depreciation/depletion | 698,347 | 649,545 | 588,164 | 554,886 | 434,584 |
| Deferred taxes | 382,070 | (17,877) | (12,694) | (27,866) | (25,601) |
| Non-cash Items | 382,408 | 851,575 | 386,111 | 152,337 | 111,213 |
| Changes in working capital | (93,359) | (364,869) | (153,122) | (127,713) | (25,443) |
| Total cash from operating activities | (180,133) | 353,125 | 1,033,655 | 890,102 | 864,755 |
| Cash Flows from Investing Activities: | | | | | |
| Capital expenditures | (717,736) | (1,141,646) | (1,096,265) | (691,047) | (649,578) |
| Other investing cash flow items, total | 540,124 | 86,486 | 185,982 | (484,978) | (146,782) |
| Total cash from investing activities | (177,612) | (1,055,160) | (910,283) | (1,176,025) | (796,360) |
| Cash Flows from Financing Activities: | | | | | |
| Financing cash flow items | (2,363) | (100,607) | (29,931) | n/a | n/a |
| Issuance/retirement of stock, net | (1,026) | (2,040) | 24,968 | 57,685 | 15,671 |
| Issuance/retirement of debt, net | 779,980 | (135,648) | 529,966 | (518,848) | 1,199,635 |
| Total cash from financing activities | 776,591 | (238,295) | 525,003 | (461,163) | 1,215,306 |
| Foreign exchange effects | (56,236) | 844 | (41,693) | 10,523 | (22,888) |
| Net change in cash | 362,610 | (939,486) | 606,682 | (736,563) | 1,260,813 |
| Net cash-beginning balance | 1,371,173 | 2,310,659 | 1,703,977 | 2,504,064 | 1,243,251 |
| Net cash-ending balance | \$1,733,783 | \$1,371,173 | \$2,310,659 | \$1,767,501 | \$2,504,064 |
| Supplemental Disclosures: | | | | | |
| Cash interest paid | \$391,874 | \$293,594 | \$183,475 | \$250,122 | \$105,804 |
| Cash taxes paid, supplemental | \$39,292 | \$269,597 | \$344,963 | \$351,627 | \$219,333 |
| Auditor/Opinion: | Pricewaterhouse Coopers LLP Unqualified | Pricewaterhouse Coopers LLP Unqualified | Pricewaterhouse Coopers LLP Unqualified | Pricewaterhouse Coopers LLP Unqualified | Pricewaterhouse Coopers LLP Unqualified with Explanation |
| Source: | 10-K 2/28/2014 | 10-K 2/28/2014 | 10-K 2/28/2014 | 10-K 2/28/2013 | 10-K/A 11/19/2012 |

Continued issuance of more debt...

...need more depth? Look at the Peer Analysis

Peer Analysis

Calendar Year/Quarter: 2014.2

Peer Group: Sector: Services, Industry: Communications Services

Refresh

[Sector: Services] [Industry: Communications Services] [Calendar Year/Quarter: 2014.2]

| Businesses in Peer Group: 1,741 | Ranking Within Peer Group | Number Of Peers Ranked | Company Value | Peer Group Range | | |
|--|---------------------------|------------------------|---------------|------------------|-----------|---------------|
| | | | | Low | Median | High |
| Credit Ratings: | | | | | | |
| ZScore -- Current Quarter | 260 | 288 | (5.90) | (4,744.81) | 1.37 | 50.94 |
| Performance ratios: | | | | | | |
| Net Sales (Thousands of U.S. Dollars) | 20 | 89 | 968,752.00 | 0.00 | 81,416.00 | 32,575,000.00 |
| Gross Margin % of Sales -- Current Quarter | 229 | 292 | 33.84 | (251.03) | 52.71 | 97.26 |
| Gross margin % of Sales -- TTM | 192 | 296 | 41.86 | (335.75) | 51.71 | 98.31 |
| SG&A % of Sales -- Current Quarter | 250 | 290 | 49.91 | 0.00 | 24.24 | 26,780.07 |
| SG&A % of Sales -- TTM | 253 | 293 | 46.95 | 0.02 | 24.36 | 26,262.01 |
| Operating Margin % of Sales -- Current Quarter | 294 | 316 | (52.07) | (26,680.07) | 12.93 | 82.17 |
| Operating Margin % of Sales -- TTM | 291 | 318 | (26.52) | (26,162.01) | 12.43 | 430.64 |
| EBITDA Margin % of Sales -- Current Quarter | 288 | 310 | (32.44) | (26,628.55) | 20.91 | 181.60 |
| EBITDA Margin % of Sales -- TTM | 286 | 318 | (10.09) | (26,047.64) | 21.65 | 430.64 |
| Net Profit Margin % of Sales -- Current Quarter | 294 | 316 | (64.34) | (46,261.49) | 6.50 | 845.20 |
| Net Profit Margin % of Sales -- TTM | 294 | 318 | (49.63) | (41,318.14) | 6.20 | 248.12 |
| Pre-tax Income % of Sales -- Current Quarter | 294 | 316 | (61.99) | (46,261.49) | 9.82 | 804.28 |
| Effective Tax Rate | 26 | 315 | (4.77) | (333.79) | 19.88 | 609.43 |
| Depreciation % Of Prop/Plant/Equipment | 157 | 306 | 20.48 | 0.00 | 20.31 | 1,215.19 |
| CapitalExpense % Of Prop/Plant/Equipment | 132 | 252 | 24.48 | 0.05 | 23.53 | 2,486.90 |
| Interest Coverage -- Current Quarter | 266 | 286 | (2.61) | (1,723.00) | 5.78 | 5,954.67 |
| Interest Coverage -- TTM | 270 | 307 | (0.72) | (695.46) | 5.62 | 47,971.44 |
| Liquidity ratios: | | | | | | |
| Cash Ratio | 227 | 308 | 0.13 | 0.00 | 0.32 | 20.69 |
| Quick Ratio | 272 | 301 | 0.19 | 0.01 | 0.76 | 35.09 |
| Current Ratio | 275 | 308 | 0.34 | 0.00 | 1.01 | 43.98 |
| Efficiency ratios: | | | | | | |
| Accounts Receivable Turnover | 139 | 312 | 7.86 | (153.43) | 7.30 | 91,454.97 |
| Days Sales Outstanding | 144 | 315 | 46.47 | (2.38) | 48.80 | 3,426.83 |
| % Inventory Financed by Vendors -- Current Quarter | 212 | 228 | 70.81 | 1.95 | 694.72 | 58,252.38 |
| % Inventory Financed by Vendors -- TTM | 225 | 244 | 74.00 | 3.11 | 711.57 | 96,228.94 |
| Inventory Turnover (annualized) -- Current Quarter | 208 | 262 | 6.54 | 0.00 | 17.97 | 10,597.82 |
| Inventory Turnover -- TTM | 216 | 265 | 6.59 | 0.00 | 19.20 | 5,721.30 |
| Days Sales in Inventory | 208 | 244 | 55.85 | 0.03 | 17.31 | 2,764.34 |
| Inventory to Working Capital | 201 | 250 | (0.08) | (102.72) | 0.00 | 73.73 |
| Accounts Payable Turnover (annualized) -- Current Quarter | 58 | 283 | 8.83 | 0.00 | 3.34 | 574.67 |
| Accounts Payable Turnover -- TTM | 67 | 287 | 7.68 | 0.00 | 3.43 | 259.69 |
| Leverage & debt coverage: | | | | | | |
| Total Debt to Equity Ratio | N/A | 262 | N/A | 0.00 | 0.84 | 43.06 |
| Debt to Tangible Equity Ratio | N/A | 179 | N/A | 0.00 | 0.85 | 72.07 |
| Total Debt to Assets Ratio | 275 | 291 | 0.78 | 0.00 | 0.36 | 109.72 |
| Short-Term Debt % of Total Debt | 240 | 269 | 96.16 | 0.00 | 16.42 | 100.00 |
| Short-Term Debt % of Working Capital | 177 | 273 | (113.64) | (5,369.00) | (7.45) | 3,340.00 |
| Liabilities to Net Worth Ratio | N/A | 195 | N/A | 0.03 | 1.70 | 107.97 |
| Total Liabilities to Equity Ratio | N/A | 278 | N/A | 0.03 | 1.46 | 60.44 |
| <small>TTM = trailing 12 months N/A = Not Available</small> | | | | | | |
| Green - Ranked in Upper Quartile of Peer Group White - Ranked in the Middle Two Quartiles of Peer Group Red - Ranked in Lower Quartile of Peer Group Grey - Data is Not Available | | | | | | |

Bottom quartile in a majority of ratios vs. Communications Services Peers

In the MD&A issued in February, the Company tells us its results of operations have been negatively affected by competitive pressure across its markets, which has led to a significantly smaller subscriber and revenue base than previously expected. Due to this, it is probable that the Company will not generate enough growth in revenues and cash flows to satisfy certain financial covenants under current debt obligations in 2014. This raises substantial doubt about the Company's ability to continue as a going concern. If the Company is unable to meet its debt service obligations, it may be forced into bankruptcy or liquidation...

...and in September, the Company files for bankruptcy...

CreditRiskMonitor (CRMZ)

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Important Information

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Year/Year Interim

Sequential Quarters

Liquidity (MD&A)

Liquidity (MD&A) History

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NII Holdings Inc

Suite 1000, 1875 Explorer Street
Reston, VA 20190 United States

Ticker: [NIIH](#)

Phone: (703) 390-5100

Filed for Bankruptcy on 9/15/2014
Case # 14-12611, filed in the U.S. Bankruptcy Court for the Southern District of New York (Manhattan)

Management Discussion and Analysis

For the period ended 12/31/2013

Recently, our results of operations, including our operating revenues and operating cash flows, have been negatively affected by a number of factors, including competitive pressure across all of our markets, and a series of events that first arose or started to affect us to an unexpected degree in the third quarter of 2013.

These factors had a significant negative impact on our results during the second half of 2013, and as a result, we ended 2013 with a significantly smaller subscriber and revenue base than we had previously expected. We plan to use our available funding, together with cash provided by our operations, to finance our current business plan; however, with a smaller subscriber base in Mexico and Brazil, absent changes to our outlook, it is probable that we will not be able to generate sufficient growth in our operating revenues and operating cash flows to meet our obligations through 2015. These conditions, and their impact on our liquidity, in combination with the potential impact if we cannot satisfy certain financial covenants under our current debt obligations in 2014 as more fully discussed below, raise substantial doubt about our ability to continue as a going concern under the applicable authoritative literature.

If we are unable to meet our debt service obligations or to comply with our other obligations under our existing financing arrangements:

- the holders of our debt could declare all outstanding principal and interest to be due and payable;
- the holders of our secured debt could commence foreclosure proceedings against our assets;
- we could be forced into bankruptcy or liquidation; and
- debt and equity holders could lose all or part of their investment in us.