

# 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

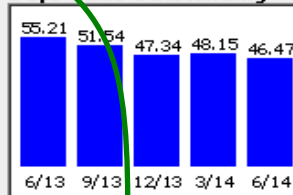
### Auditor Information

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 11.11% to \$2.53 billion for the same period last year.

Gross profit margin decreased 48.19% for the period to 327.78 million (33.1% (50.23% of revenues) for the same period last year. Gross profit margin decreased 48.19% for the period to 327.78 million (33.1% of revenues) for the same period last year. Gross profit margin decreased 48.19% for the period to 327.78 million (33.1% of revenues) for the same 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 expenses for the period decreased 9.08% to \$531.80 million for the same period last year.

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...

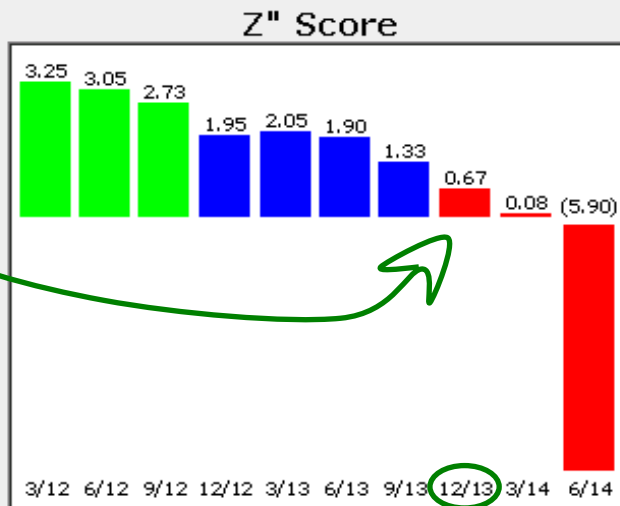
The Altman Z" first signaled trouble near the end of 2013...

**LEGEND:**

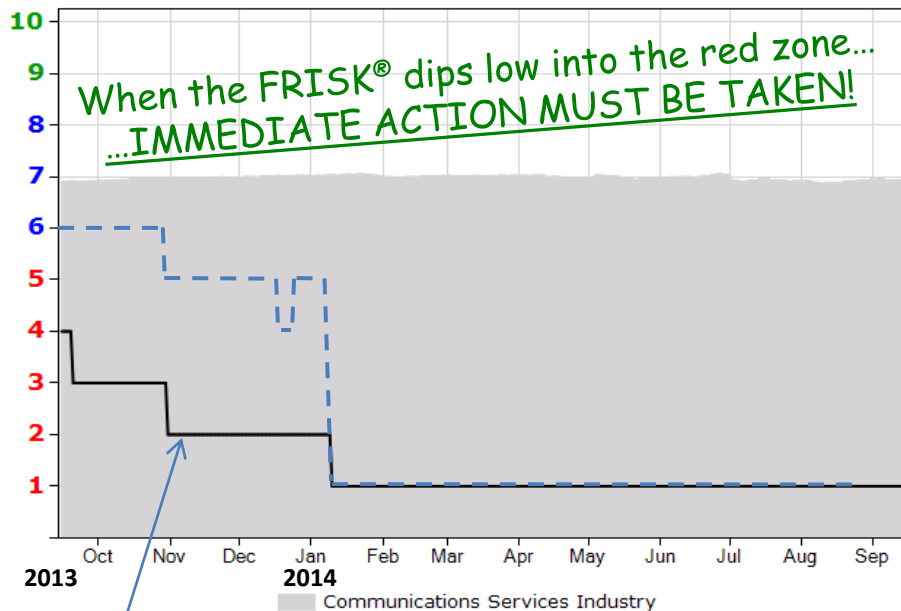
Financially sound: 2.60 or higher

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.

		Probability of bankruptcy within 12 months	
FRISK®		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%
	1	9.99%	50.00%
Worst			

**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: Verso 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

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

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

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

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

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

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

2013 Annual Net Loss of \$1.6 BN

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...

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
<b>Net Sales \$</b>	<b>\$968,752</b>	<b>\$970,214</b>	<b>\$1,080,900</b>	<b>\$1,101,265</b>	<b>\$1,259,560</b>
% change	-0.15%	-10.24%	-1.85%	-12.57%	-5.36%
<b>Gross Margin \$</b>	<b>\$327,784</b>	<b>\$366,826</b>	<b>\$510,765</b>	<b>\$519,711</b>	<b>\$632,688</b>
% 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
<b>SG&amp;A \$</b>	<b>\$483,515</b>	<b>\$450,757</b>	<b>\$518,470</b>	<b>\$482,273</b>	<b>\$531,798</b>
% 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
<b>Operating margin \$</b>	<b>(\$504,382)</b>	<b>(\$239,080)</b>	<b>(\$186,580)</b>	<b>(\$162,757)</b>	<b>(\$82,005)</b>
% 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
<b>EBITDA \$</b>	<b>(\$314,281)</b>	<b>(\$86,094)</b>	<b>(\$35,890)</b>	<b>\$20,569</b>	<b>\$91,276</b>
% 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
<b>Pre-tax income \$</b>	<b>(\$600,571)</b>	<b>(\$371,060)</b>	<b>(\$374,284)</b>	<b>(\$288,793)</b>	<b>(\$336,086)</b>
% 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
<b>Net income (loss) \$</b>	<b>(\$623,311)</b>	<b>(\$376,079)</b>	<b>(\$745,803)</b>	<b>(\$299,941)</b>	<b>(\$396,351)</b>
% 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
<b>Tax expense \$</b>	<b>\$28,671</b>	<b>\$5,040</b>	<b>\$371,326</b>	<b>\$4,338</b>	<b>\$48,770</b>
Effective tax rate	-4.77%	-1.36%	-99.21%	-1.50%	-14.51%
<b>Depreciation expense \$</b>	<b>\$170,335</b>	<b>\$140,555</b>	<b>\$137,999</b>	<b>\$162,665</b>	<b>\$166,072</b>
% 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%
<b>Capital expenditures \$</b>	<b>\$203,648</b>	<b>\$182,327</b>	<b>\$165,783</b>	<b>\$143,183</b>	<b>\$166,982</b>
% 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%
<b>Interest coverage ratio</b>	<b>(2.61)</b>	<b>(0.61)</b>	<b>(0.20)</b>	<b>0.15</b>	<b>0.37</b>
% change	-325.15%	-213.59%	-228.48%	-58.97%	-58.67%
<b>Free cash flow \$</b>	<b>(\$521,138)</b>	<b>(\$667,886)</b>	<b>(\$255,517)</b>	<b>(\$170,149)</b>	<b>(\$91,750)</b>
% 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
<b>Total debt \$</b>	\$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%
<b>Stockholders' equity \$</b>	<b>(\$583,547)</b>	<b>(\$8,765)</b>	<b>\$355,387</b>	<b>\$1,217,764</b>	<b>\$1,528,927</b>
% change	-6,557.70%	-102.47%	-70.82%	-20.09%	-80.43%
<b>Total debt to equity ratio</b>	<b>n/a</b>	<b>n/a</b>	<b>16.30</b>	<b>4.76</b>	<b>3.76</b>
% change	n/a	n/a	242.80%	26.38%	44.54%
<b>Tangible net worth \$</b>	<b>(\$1,603,095)</b>	<b>(\$1,021,889)</b>	<b>(\$638,282)</b>	<b>\$175,380</b>	<b>\$474,953</b>
% change	-56.88%	-60.10%	-463.94%	-63.07%	-52.73%
<b>Total debt to tangible net worth</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>33.02</b>	<b>12.07</b>
% change	n/a	n/a	n/a	173.49%	112.74%
<b>Total assets \$</b>	<b>\$7,438,786</b>	<b>\$8,189,665</b>	<b>\$8,679,954</b>	<b>\$8,875,608</b>	<b>\$8,981,803</b>
% change	-9.17%	-5.65%	-2.20%	-1.18%	-7.26%
<b>Total debt to assets ratio</b>	<b>0.78</b>	<b>0.71</b>	<b>0.67</b>	<b>0.65</b>	<b>0.64</b>
% change	8.66%	7.07%	2.30%	2.19%	8.44%
<b>Net tangible assets \$</b>	<b>\$6,419,238</b>	<b>\$7,176,541</b>	<b>\$7,686,285</b>	<b>\$7,833,224</b>	<b>\$7,932,829</b>
% change	-10.55%	-6.63%	-1.88%	-1.26%	-6.67%
<b>Short-term debt \$</b>	<b>\$5,555,298</b>	<b>\$103,535</b>	<b>\$96,839</b>	<b>\$93,297</b>	<b>\$81,404</b>
% change	5,265.62%	6.91%	3.80%	14.61%	-27.99%
<b>Short-term debt % of total debt</b>	<b>96.16%</b>	<b>1.77%</b>	<b>1.67%</b>	<b>1.61%</b>	<b>1.42%</b>
% change	5,336.07%	5.83%	3.75%	13.49%	-28.39%
<b>Short-term debt % of working capital</b>	<b>-113.64%</b>	<b>9.60%</b>	<b>6.63%</b>	<b>4.65%</b>	<b>3.43%</b>
% change	-1,284.18%	44.84%	42.48%	35.63%	-30.74%
<b>Total liabilities \$</b>	<b>\$8,022,333</b>	<b>\$8,198,430</b>	<b>\$8,324,567</b>	<b>\$7,657,844</b>	<b>\$7,457,876</b>
% change	-2.15%	-1.52%	8.71%	2.68%	-0.49%
<b>Total liabilities to equity ratio</b>	<b>n/a</b>	<b>n/a</b>	<b>23.42</b>	<b>6.29</b>	<b>4.89</b>
% change	n/a	n/a	272.49%	28.49%	43.03%
<b>Total liabilities to tangible net worth ratio</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>43.66</b>	<b>15.70</b>
% 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
<b>Current assets \$</b>	\$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	41.32%	3,081.60%	3,870.53%	3,790.95%	4,657.61%
<b>Current liabilities \$</b>	\$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%
<b>Working capital \$</b>	<b>(\$4,888,651)</b>	<b>\$1,078,922</b>	<b>\$1,461,596</b>	<b>\$2,006,281</b>	<b>\$2,374,294</b>
% change	-553.11%	-26.18%	-27.15%	-15.50%	3.98%
% of sales (annualized)	-126.16%	27.80%	33.81%	45.54%	47.13%
<b>Cash \$</b>	<b>\$946,613</b>	<b>\$1,604,977</b>	<b>\$2,319,543</b>	<b>\$1,897,355</b>	<b>\$1,781,690</b>
% 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%
<b>Cash ratio</b>	<b>0.13</b>	<b>0.76</b>	<b>1.01</b>	<b>1.24</b>	<b>1.26</b>
% change	-83.30%	-25.07%	-18.17%	-1.40%	-1.24%
<b>Quick assets \$</b>	<b>\$1,431,798</b>	<b>\$2,106,427</b>	<b>\$2,842,106</b>	<b>\$2,496,438</b>	<b>\$2,426,612</b>
% 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%
<b>Quick ratio</b>	<b>0.19</b>	<b>1.00</b>	<b>1.24</b>	<b>1.63</b>	<b>1.71</b>
% change	-80.76%	-19.74%	-23.80%	-4.74%	-7.61%
<b>Current ratio</b>	<b>0.34</b>	<b>1.51</b>	<b>1.64</b>	<b>2.31</b>	<b>2.68</b>
% 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
<b>Return on equity</b>	n/a	-105.82%	-61.24%	-19.68%	-18.10%
% change	n/a	-72.79%	-211.16%	-8.77%	-102.01%
<b>Return on net tangible equity</b>	n/a	n/a	-425.25%	-63.15%	-39.45%
% change	n/a	n/a	-573.38%	-60.09%	-126.43%
<b>Return on total assets</b>	-7.98%	-4.46%	-8.50%	-3.36%	-4.25%
% change	-78.90%	47.52%	-152.92%	20.89%	-93.48%
<b>Return on net tangible assets</b>	-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
<b>Cash Flows from Operating Activities:</b>					
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)
<b>Total cash from operating activities</b>	<b>(180,133)</b>	<b>353,125</b>	<b>1,033,655</b>	<b>890,102</b>	<b>864,755</b>
<b>Cash Flows from Investing Activities:</b>					
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)
<b>Total cash from investing activities</b>	<b>(177,612)</b>	<b>(1,055,160)</b>	<b>(910,283)</b>	<b>(1,176,025)</b>	<b>(796,360)</b>
<b>Cash Flows from Financing Activities:</b>					
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
<b>Total cash from financing activities</b>	<b>776,591</b>	<b>(238,295)</b>	<b>525,003</b>	<b>(461,163)</b>	<b>1,215,306</b>
<b>Foreign exchange effects</b>	<b>(56,236)</b>	<b>844</b>	<b>(41,693)</b>	<b>10,523</b>	<b>(22,888)</b>
<b>Net change in cash</b>	<b>362,610</b>	<b>(939,486)</b>	<b>606,682</b>	<b>(736,563)</b>	<b>1,260,813</b>
<b>Net cash-beginning balance</b>	<b>1,371,173</b>	<b>2,310,659</b>	<b>1,703,977</b>	<b>2,504,064</b>	<b>1,243,251</b>
<b>Net cash-ending balance</b>	<b>\$1,733,783</b>	<b>\$1,371,173</b>	<b>\$2,310,659</b>	<b>\$1,767,501</b>	<b>\$2,504,064</b>
<b>Supplemental Disclosures:</b>					
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 <b>Unqualified</b>	Pricewaterhouse Coopers LLP <b>Unqualified</b>	Pricewaterhouse Coopers LLP <b>Unqualified</b>	Pricewaterhouse Coopers LLP <b>Unqualified</b>	Pricewaterhouse Coopers LLP <b>Unqualified with Explanation</b>
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
TTM = trailing 12 months N/A = Not Available						
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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Report	NII Holdings Inc	
Overview	Phone: (703) 390-5100	Ticker: <a href="#">NIIH</a>
Company News	Suite 1000, 1875 Explorer Street Reston, VA 20190 United States	
Risk Ratings	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)	
Important Information	Management Discussion and Analysis	
Annual Financials	For the period ended 12/31/2013	
Year/Year Interim	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.	
Sequential Quarters	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, <u>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.</u>	
Liquidity (MD&A)	If we are unable to meet our debt service obligations or to comply with our other obligations under our existing financing arrangements:	
Liquidity (MD&A) History	<ul style="list-style-type: none"> <li>the holders of our debt could declare all outstanding principal and interest to be due and payable;</li> <li>the holders of our secured debt could commence foreclosure proceedings against our assets;</li> <li><u>we could be forced into bankruptcy or liquidation;</u> and</li> <li>debt and equity holders could lose all or part of their investment in us.</li> </ul>	
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