

Edgar Filing: Consolidated Communications Holdings, Inc. - Form 10-Q

Consolidated Communications Holdings, Inc.

Form 10-Q

November 02, 2012

[Table of Contents](#)

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2012

or

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

Commission File Number 000-51446

CONSOLIDATED COMMUNICATIONS HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	02-0636095 (IRS Employer Identification No.)
121 South 17th Street, Mattoon, Illinois (Address of principal executive offices)	61938-3987 (Zip Code)

(217) 235-3311

(Registrant's telephone number, including area code)

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. (Check one):

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

On October 23, 2012, the registrant had 39,917,265 shares of Common Stock outstanding.

Table of Contents

TABLE OF CONTENTS

	Page
<u>PART I - FINANCIAL INFORMATION</u>	
<u>Item 1.</u>	<u>Financial Statements</u> 1
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 21
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u> 33
<u>Item 4.</u>	<u>Controls and Procedures</u> 34
<u>PART II - OTHER INFORMATION</u>	
<u>Item 1.</u>	<u>Legal Proceedings</u> 35
<u>Item 1A.</u>	<u>Risk Factors</u> 36
<u>Item 6.</u>	<u>Exhibits</u> 37
<u>SIGNATURES</u>	39

Table of Contents**PART I FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****CONSOLIDATED COMMUNICATIONS HOLDINGS, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS***(Unaudited; Amounts in thousands except per share amounts)*

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net revenues	\$ 157,012	\$ 92,548	\$ 343,381	\$ 280,612
Operating expense:				
Cost of services and products (exclusive of depreciation and amortization)	59,589	33,913	131,979	103,864
Selling, general and administrative expenses	35,568	21,148	75,092	60,994
Financing and other transaction costs	14,525	109	19,909	2,649
Depreciation and amortization	37,252	22,161	81,258	66,306
Operating income	10,078	15,217	35,143	46,799
Other income (expense):				
Interest expense, net of interest income	(20,624)	(13,447)	(52,117)	(37,783)
Investment income	8,229	6,403	21,457	19,417
Other, net	232	516	431	953
(Loss) income before income taxes	(2,085)	8,689	4,914	29,386
Income tax (benefit) expense	(1,895)	2,723	314	10,410
Net (loss) income	(190)	5,966	4,600	18,976
Less: net income attributable to noncontrolling interest	121	148	366	442
Net (loss) income attributable to common stockholders	\$ (311)	\$ 5,818	\$ 4,234	\$ 18,534
Net (loss) income per common share - basic and diluted	\$ (0.01)	\$ 0.19	\$ 0.12	\$ 0.61
Dividends declared per common share	\$ 0.39	\$ 0.38	\$ 1.16	\$ 1.16

See accompanying notes.

