

NII HOLDINGS INC
Form 8-K
December 08, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 5, 2011

NII HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-32421
(Commission File Number)

91-1671412
(IRS Employer
Identification No.)

1875 Explorer Street, Suite 1000
Reston, Virginia
(Address of principal executive offices)

20190
(Zip Code)

Registrant's telephone number, including area code: (703) 390-5100

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On December 5, 2011, NII Capital Corp. (the “Issuer”), a wholly owned subsidiary of NII Holdings, Inc. (“NII Holdings”), entered into an Underwriting Agreement under which it agreed to sell \$700 million aggregate principal amount of its 7.625% Senior Notes due 2021 (the “Notes”) to Deutsche Bank Securities Inc., Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co., J.P. Morgan Securities LLC, Citigroup Global Markets Inc., HSBC Securities (USA) Inc. and Morgan Stanley & Co. LLC (the “Underwriters”). As contemplated by the Underwriting Agreement, on December 8, 2011, the Issuer issued the Notes pursuant to an indenture, dated as of March 29, 2011 (the “Existing Indenture”), among the Issuer, NII Holdings, certain of its wholly owned United States subsidiaries, as guarantors (the “Guarantors”), and Wilmington Trust Company, as trustee (the “Trustee”), as supplemented by a supplemental indenture, dated as of December 8, 2011 (the “First Supplemental Indenture” and together with the Existing Indenture, the “Indenture”), among the Issuer, NII Holdings, the Guarantors and the Trustee. The net proceeds from the offering, after deducting the Underwriters’ discounts and commissions and the estimated offering expenses payable by the Issuer, are expected to be approximately \$678.2 million.

The Notes will mature on April 1, 2021 and will bear interest at a rate of 7.625% per annum. Interest will accrue from October 1, 2011 and is payable semi-annually in arrears on April 1 and October 1 of each year, beginning on April 1, 2012. The Notes are an additional issuance of, will be fully fungible with, rank equally with and form a single series with the \$750 million of the Issuer’s 7.625% Senior Notes due 2021 initially issued on March 29, 2011. The Notes will have the same CUSIP number assigned to such previously issued notes.

The obligations under the Notes are fully and unconditionally guaranteed on a senior unsecured basis by NII Holdings and the other Guarantors. The Notes will rank equally in right of payment with all of the Issuer’s, NII Holdings’ and the other Guarantors’ existing and future senior unsecured debt and prior to all of the Issuer’s, NII Holdings’ and the other Guarantors’ subordinated debt, if any.

The Issuer may redeem the Notes, in whole or in part, at any time on or after April 1, 2016 at the redemption prices set forth in the Indenture, plus accrued and unpaid interest. Prior to April 1, 2016, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount thereof plus a “make-whole” premium and accrued and unpaid interest as described in the Indenture.

Prior to April 1, 2014, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds from specified equity offerings by NII Holdings at a redemption price of 107.625% of their principal amount, plus accrued and unpaid interest. The Issuer may, however, only make such redemption if, after any such redemption, at least 65% of the aggregate principal amount of the Notes issued under the Indenture remains outstanding.

If a Change of Control (as defined in the Indenture) of NII Holdings occurs, each holder of Notes may require the Issuer to repurchase all of the holder’s Notes at a purchase price equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest.

The Indenture contains covenants that, among other things, limit the ability of NII Holdings and its restricted subsidiaries, including the Issuer, to:

- incur additional indebtedness and issue preferred stock;

- create liens or other encumbrances;
- place limitations on distributions from restricted subsidiaries;
- pay dividends, acquire shares of capital stock or make investments;
- prepay subordinated indebtedness or make other restricted payments;
 - issue or sell capital stock of restricted subsidiaries;
 - issue guarantees;
 - sell or exchange assets;
 - enter into transactions with affiliates; and
 - merge or consolidate with another entity.

These covenants are subject to a number of important limitations and exceptions.

The Indenture provides for customary events of default. In the case of an event of default arising from specified events of bankruptcy or insolvency, all outstanding Notes will become due and payable immediately without further action or notice. If any other event of default under the Indenture occurs or is continuing, the trustee or holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately.

The descriptions of the Underwriting Agreement and the Supplemental Indenture contained in this report are qualified in their entirety by reference to the complete text of the Underwriting Agreement and the Supplemental Indenture, copies of which are filed as Exhibits 10.1 and 4.2, respectively, to this report and incorporated herein by reference. The description of the Existing Indenture contained in this report is qualified in its entirety by reference to the complete text of the Existing Indenture, a copy of which was filed as Exhibit 4.1 to NII Holdings' Current Report on Form 8-K on March 29, 2011 and is incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 of this report is incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
4.1	Indenture, dated March 29, 2011, among NII Capital Corp., NII Holdings, Inc., Nextel International (Services), Ltd., NII Funding Corp., NII Aviation, Inc., NII Global Holdings, Inc. and Wilmington Trust Company (incorporated by reference to Exhibit 4.1 to NII Holdings' Current Report on Form 8-K filed on March 29, 2011).
4.2	First Supplemental Indenture, dated December 8, 2011, among NII Capital Corp., NII Holdings, Inc., Nextel International (Services), Ltd., NII Funding Corp., NII Aviation, Inc., NII Global Holdings, Inc. and Wilmington Trust Company.
10.1	Underwriting Agreement, dated December 5, 2011, among NII Capital Corp., NII Holdings, Inc., Nextel International (Services), Ltd., NII Funding Corp., NII Aviation, Inc., NII Global Holdings, Inc., Deutsche Bank Securities Inc., Credit Suisse Securities (USA)

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LLC, Goldman, Sachs & Co., J.P. Morgan Securities LLC,
Citigroup Global Markets Inc., HSBC Securities (USA) Inc. and
Morgan Stanley & Co. LLC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NII HOLDINGS, INC.
(Registrant)

Dated: December 8, 2011

By: /s/ Shana C. Smith
Shana C. Smith
Vice President, Corporate Counsel
and Assistant Secretary

EXHIBIT INDEX

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