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CORPORATE PARTICIPANTS

Brian J. West
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Andrew C. Steinerman
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MANAGEMENT DISCUSSION SECTION

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Okay. I think we're going to get going. I'm Andrew Steinerman at JPMorgan. I cover business information services. This is Nielsen presentation. Welcome. I am here with the CFO, Brian West. He had a long time career in GE, joined the company shortly after the LBO. He joined in 2007. And today, we are going to start with the TMT format, which is really kind of an opening conversation. Brian will start with a couple of profiles of the company. I'll ask a few questions and then we're really going to open it up to you, the audience, to share your questions with Brian. So thank you. Thanks for joining us.

Maybe you could start with a profile, the Buy, the Watch business, what growth profile that produces?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

Sure. Thanks for having us and it's good to be here. So for Nielsen, we are wrapped around two fundamental engagements with the consumer that no one else is. It's what do they watch and what do they buy, and we're unique in that way. And in fact, one informs the other. So we'd call those big segments our Watch and Buy segments.

We measure retail activity and we measure audience behavior in the media world. Together, they become more and more important as we try to look at helping marketers get more effective, but, again, wrapped around Watch and Buy, and we're a syndicated model. So we don't like custom work. We like to do things that are repeatable and standard and scalable and we do it all over the world. So we are in roughly 100 countries all around the globe, unique in that regard, in order to be able to answer questions all about the global consumer.

For us, the way we operate our business, starting with the Buy side, is that we have a very big retail measurement service. We call it our information side of the Buy side, and that is where we are helping big CPG companies know their market share for every one of their products all over the world, every week. And how is one product doing against its competitive set.

It's a vast majority of the Buy side, 75%-ish, and that is what is under multi-year contracts ranging anywhere from three to ten year. It's very sustainable, it's very resilient, and it's the foundation of the company.

The other part of the Buy side is Insights, which is more discretionary, but that's where we help clients look around the corner, how we help them with their growth initiatives, challenges all over the globe.

Moving on to the Watch side, the Watch business, similarly, is a big foundational set of businesses which is around TV ratings. TV rating is a service that we do again under long-term contracts, anywhere from three to seven years, very resilient. We're unique in that regard in many markets. And the other 15% is, again, helping media companies and programmers help understand how they can maximize the value of the content.

So Buy and Watch, big resilient pillars. Over the last 27 quarters, we never had a down quarter in the top line because of those foundational practices. And for us, we're really wrapped around two big things – two big themes. On the Buy side, it's the developing world and consumers moving into the middle class, and our clients are very interested because that is literally billions of first time consumers that will be buying their products and they need to go navigate them in places like Sub-Sahara Africa, rural India, rural China.

And the second theme is around more media choices. So as devices and technology proliferates and fragments, everyone needs to know the true consumption of their content in a very comprehensive way and only we can do it, only Nielsen could that and actually with the more fragmentation the better we do, the better off we are and that's our friend.

So Buy and Watch, big growth trend in developing markets, only footprint with 100 countries. Media choices, only company that can give a complete picture of audiences. And for us, that's where the growth comes from.

And in terms of the financial models, it's one that is very scalable. It's built for growth. It's built for reinvestment. It's got great earnings power due to a variety of features, and it's got great cash flow characteristics, such that, ultimately, it's positioned to return very attractive return to shareholders. So that's the kind of soup to nuts of the company framework-wise and I'd be happy to answer any questions.

QUESTION AND ANSWER SECTION

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

And just maybe go over the growth profile, we start talking about consistent mid-single-digit top line, what does that mean for the bottom line?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Sure. So our business is because you've got these two big franchises, retail measurement in the Buy side and TV ratings in the Watch side, those are long-term contracts, they're the foundation, they're there in good times and bad, regardless of what's happening in the economic world. I'm not tied to GDP; I'm not tied to advertising dollar spend; it's just basically delivering information to our respective clients all day, every day.

And that basically means the growth is in the mid-single-digit framework, which drives the growth in the Buy side and will accelerate that as we go into the developing world. So the developing worlds for us, we invest behind it three years in advance with the proposition that that will be a double-digit growth business over time. That's the way it's behaved over the long term. Recently, that's been more like 6% or 7% growth, but it's differentiated growth nonetheless and one we invest behind in a very material way because our clients are definitely focused on the developing world.

On the Watch side, that business grows steady, 4% to 5% year-in, year-out, very consistent. And the thing that drives growth in that part of our franchise, really two dimensions, one is a burgeoning digital business that's small, but growing, and also our ability to connect our Watch and Buy assets. So, like I said, no one else has all the Watch data, no one else has all the Buy data. And bringing those together, to help with return on investment type question for marketers is another part of our company that's just getting going. So those, I would say, would be the growth pillars, developing world, digital and advertiser solutions or ad effectiveness that is underwritten by these two big franchises.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Okay, perfect. And then, let's talk about more like EPS growth. This is a consistent margin expansion story. You guys talk about consistent de-leveraging. How does that add up for EPS growth?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Sure. So, for us, this business is capable of expanding margins by about 100 basis points a year, and that's just because you don't need a lot of volume in our world to drive that kind of leverage. But we reinvest like half of that. In the last couple of years, back into our future growth prospects, and largely that is because, in the developing world, I've got to invest three years ahead of collecting $1 of revenue as I build up coverage, and that's an important investment that over time we are very focused on and we're committed to. Like I said, we are measuring Sub-Sahara Africa for the first time on behalf of our clients. We are moving into rural China, where half of all consumption is done in that part of the world.

So it's a big deal for us, developing markets are important and we will be committed to reinvest in it. So think about that as the reinvestment profile. And then the earnings power comes from that operating performance, coupled with an LBO unwind. We've got an interest position, the debt position is coming down, interest cost is coming down, our weighted average interest rate has come down very nicely, and also I've got tax assets that we will monetize and create even more earnings power going forward. So, for us, it's a strong operating model. It's a great capital structure that is only getting better, and it's a very efficient tax proposition all around the world that drives accelerated earnings growth.

Q

The margins – I apologize. The margins, you said 100 basis points off of which line, capable of growing 100 basis points?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV
A

EBITDA.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC
Q

Right. But capable. The more realized is 50 basis points, right?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV
A

Absolutely. So when we think about, if you look historically, we've delivered in the neighborhood of about 50 basis points of annual margin expansion. That is because we are reinvesting heavily in the developing world and we continue to do that.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC
Q

How far out do those 50s go?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV
A

You know what, we're investors and builders. So we are talking about the biggest movement of – or these creation of consumers in that developing world than we've ever seen before since the history of time. There will be more consumers next 25 years going into those parts of the world consuming. And that's where our clients are going and that's where they are asking the type of questions. So we love investing and that's as far as the eye can see. We don't want to stop because they don't find something else to invest in.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC
Q

Perfect. So when you talk about your business is a steady mid-single-digit organic grower, you don't seem to be talking about the environment. Is there anything inside of the environment that's worth talking about that could hold back Nielsen or accelerate Nielsen?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV
A

Look, it is so steady. Like in the last four or five years, with lots of different macro events, it's been very steady because the clients need that information. For us, in an immediate term, for sure, the developing markets, we expect to grow faster over time. I don't know when that will reaccelerate, but that's what we invest behind. The Western Europe is lousy, has been, is very pressured, that's probably where I spend most of my time lately because it's just about all products are under pressure because it's a very difficult environment for our clients and for the consumers. That's pretty much environment-wise. And then the US is doing fine.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC
Q

And when you highlight 'concerned about Europe,' do you feel like it's a just a long bottom or do you feel like there's risk to Europe?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV
A

Well, I think that as Europe sorts itself out, what you have to worry about are clients thinking about permanent changes in their businesses and permanent changes in how consumers go out and behave. So, for us, at our Insights business, it's been hammered; that's no new news. Our information business will get pressured because local regional clients want help and we're going to help them. We're not going to lose the business, but it's going to be one area that we're going to be very focused on through the course of this year. But the good news is we get through this, right? We get through these kind of things, it's happened time to time, and the business model can keep going and keep delivering.

The offside of this is that the Watch side of the business is doing great. Matter of fact, the Watch side of the business feels better and better because we've got nice digital properties that are growing, albeit small, and we've got this Ad Solutions business that is growing at a very clip. So, on the balance, we feel good about the performance being very steady, consistent as it always has been.

The real accelerator, if I think about things that accelerate this, will be around the digital space. If our digital products get to be standard, real standards, there is potential for that to grow faster and accelerate the growth of the company, but we haven't described that yet. We're not ready to. But that is in the future and we can't wait to express that. It's just a little too early.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC
Q

The company under your management team has stepped up the pace of innovation compared to the predecessors. Are there any innovations that are kind of small today, that you want to highlight, that you think really could be an accelerator in the future?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV
A

Sure. So on the Buy side, we've got lots of new innovative products. We have something called our global tracker which basically allows a big CPG company to very easily, in any market, do very quick comparisons at the SKU level. That's something that has clients very interested as they make resource decisions and as they measure their people. We also have things around expanding coverage, as I mentioned, in all over the developing world.

On the Watch side, what excites us is not only an on client campaign rating product, which basically is to measure audiences in the digital world, very similar to how they get measured in the television world and create efficiency for both program or their publishers as well as advertisers. We could talk a lot about that when a lot of good progress is being made.

We also are excited about going to the social realm. So we've got social – we've relationship with Twitter whereby we will create a social Nielsen Twitter rating that allows a media company to understand what the echo chamber is in a real measured way in social. So that's something that is getting more and more attention and interest from our clients.

And then the other part where we are developing more innovative solutions is where we could bring together these big Watch assets around audiences and combine them with retail activity assets because, ultimately, a marketer, once being asked the question, I exposed a consumer or an audience to an ad and did I get the retail look I was looking for. And we've got all the media assets. I've got tons of Buy stuff and I put it together and I put it together with companies like Catalina, which is a couponing company. So Nielsen Catalina Solutions brings together our overnight media data and matches it with their overnight retail data and we can help advertisers get more precise as they think about managing their brands and managing their campaigns at very local levels. We also do something very similar, not with CPG retail data, but also with data that comes from credit card company. So we've got lots to do in that area because we want to satisfy that question of, did I get the bang for my buck. And we think that that's unique to us and we've got – we're just getting started.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Could you just dive into that a little bit more? When you say we've combined Buy and Watch – I definitely understand the Catalina. Hey, you took out a coupon. I understand when you have credit card data. But how do you combine Buy and Watch. How could you go into the CPG data and make it helpful for understanding the ad effect?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

So, for instance, let's use a real simple example. Let's say, I was the Pampers brand manager and I'm trying to run a Pampers campaign. And I get the campaign all set up and I start exposing it to our audiences in a particular zip code or a particular local area. I can overnight in-flight know whether or not, based on that advertisement, whether or not I'm getting the retail lift in that exact same area, and that is what clients are really getting much more precision from. So you could make adjustments, in-flight, you could get a lot more effective in how you go about monetizing your audiences and delivering the retail look you're looking for. So those are very unique capabilities that are just coming forward that's got a lot of our marketing clients more and more enthusiastic, and use the same exact thing with a broader retail data through credit card feeds. So this is something that we could do all day long. And like I said, we're just getting started.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

That's very revealing. I'm going to ask one more question, then open it up to get your questions, right. This is the TMT Conference, so we do have to ask immediate question if that's okay. We're also in a TV ad upfront season, the season where we sell a lot of the TV ads and events. Could you give any milestones that are important to Nielsen in this upfront that are different than last year's upfront?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Yeah. For us, it's really the discussion around digital. So we're probably year-and-a-half in with an online campaign ratings product that literally is, for the first time, going to measure audiences overnight, just like television and help publishers and advertisers get more value out of digital audiences. So what's enthusiastic for us is that, a year ago, there might have been one or two folks that were willing to step up and guarantee their audiences based on that data. Now you've got more and more clients that are willing to come and do the same thing and you'd get more and more agencies that are leaning in to having more effective measurements in the digital space.

So, for instance, we've got clients like Hulu, AOL, Disney that are all saying we're willing to stand behind our properties and guarantee audiences in the digital space by using Nielsen's OCR product. It's a big deal. And we've got more and more advertiser clients who are willing to lean in with more and more digital budgets and move money that way because they feel more confident in the accountability metric that OCR provides them. And you've got agencies, GroupM and now Omnicom Media Group, that are also leading the charge in terms of creating that capability for us to accurately measure those audiences. So that's what's different on this year's upfront and we're encouraged. We think we've got a lot of work to do. And finally, I think this whole social discussion has gotten a lot of media company's interest and that is something that we're going to be able to deliver as we enter the fall TV season as they think about going into that upfront discussion.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

And is Nielsen digital program ratings in this upfront or no?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Yes. So we now are going to be able to not just measure commercials with our online campaign rating product, now we'll be able to measure programing. And recently we had announcement with many of the big media companies about how we're going to move forward doing that. Again, now we're beginning to take the measurement and going places further to help the industry better understand those audiences. So I not only can measure a campaign, I can now measure a program, and all of that in front of us as we go into the fall TV season.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

So that's live now?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

That will be live for the fall TV season.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Very cool. Questions?

Q

[Question Inaudible] (0:18:16).

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

So, right now, we do a lot of measurement in the mobile space. We do it with panels. We've got lots of different things we offer, both the folks in the telecom industry as well as advertisers, media companies. The fact of the matter is the advertising dollars are slower to move in that space, so it's still a little bit nascent. But we'll be ready when it moves in a more significant way to create measurements that are just as accountable with the same fidelity as any of our other measurements because our products are built to be device-agnostic. So whether it was your tablet or it was your phone, your smartphone, our proposition is that we're going to measure it consistently. So it hasn't yet broken out yet, but we'll be ready for it.

Q

[Question Inaudible] (0:19:10).

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Too hard to tell. Like I said, it's really going to be when advertisers start to get more interested. It's got lots of things to do around trying to get the copy and the screen size more compelling, but we're encouraged by the progress and we'll be there with the measurement.

Q

[Question Inaudible] (0:19:28).

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

You know what, I think it's constant in terms of our ability to measure it with more fidelity. In terms of when does it breakout, I don't know.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

But does anyone pay Nielsen today for that measurement?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Oh absolutely.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Even though it's not currency?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Absolutely. Sure. Like I said, we measure the mobile audiences today. We do it in a variety ways. But I think your question is, is mobile going to be a real breakout for the industry. Let's make it progress day by day. I just don't know when we'd be big enough to call it out in our world.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Okay. Questions?

Q

I'm a little new to the story. I was wondering if you could talk a bit about how Nielsen is positioned for the – in the Watch business for a migration to less traditional forms of viewership, specifically things like over the top VOD, where there isn't really an advertising component to it. And also where – it's not perhaps as easy to measure ratings when you've got to go through Apple or a Netflix [indiscernible] (0:20:30)?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Great question. So its start with the premises. We measure what's consumed, not what's distributed, and that's an important point. Because I don't care how they got to you, whether it was over the top, over the air, satellite box, set-top box, it doesn't matter. I measure consumption, right, what was on this side of the screen and I know who consumed it. It was teenager, it was the spouse, et cetera, a very important differentiation. And as long as I keep on putting that picture together for the industry and the media clients, I've got huge opportunity there, big. Because every new technology, every new fragmentation means I just get the plug into the bigger picture, and that's what clients need clarity on.

And by the way, television is still really big, right? So it's five hours of the average person's day, believe it or not. So it's big and then it's moving fast, but we'll able to capture it because we've got lot of people who think all the day along about making sure we can measure the new ways that you will consume that media content.

In terms of over the top, we've recently announced how we're extending – expanding our panel to represent that. So every new one for us is just adding our capabilities to address those eyeballs as they move. So we're excited about our capabilities. It's more to do, but opportunity all over the place.

Q

And is there any difference in economics either on the revenue side or the cost side to measurement?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

No. For helping our media audiences, our media clients understand where their eyeballs are headed, the measurement is, believe it or not, not the hard part. It's very efficient. In fact, as it goes more digital, it's software measurement capabilities. So that's not a big deal and there is no big call on that. And the revenue will be – it will be a new service as they get rolled out. There won't be big meaningful ones in the short term, but ones that we expect to grow over time. For us, the big one is, what happens in the online space with new measurement for a new set of clients because right now our online digital product called OCR is aimed at publishers and advertisers, both new to us with a new service and I don't know how big that is, but it is something that we're working hard on to create that kind of standard that the industry can rely on for measurement.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Go ahead.

Q

Yes. You did mention a lot about what you're doing in the retail brick and mortar space as far as tracking and as far as what trends you're seeing there as it relates to both the retailers and the brands. Could you speak to that?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Yeah. So for a lot of these brands, a lot of it is around innovation in the developing world, right? They really are trying to push their products and their investment and the research allocations towards finding new first-time consumers with many different ways to get to those consumers in the developing world. There's no doubt about it. And that's where they will talk a lot about it, where they will start. We hope to put more money behind it, but that is probably the number one and two priorities for CBG kind of clients.

Another phenomenon that's happening and it hasn't changed over the last several years has been the consumers' interest in private label in that shift that's happening, as we speak. And then, broadly speaking, the other part that's less brick and mortar, but the same questions that they have is, how do you follow your consumption into the online retail space?

And what is small today is growing in importance. And our ability to measure that is getting better and better because that's just another distribution point. So, for them, it's managing all those challenges between innovating and the developing world, working a consumer who is sticking with the developed market, and then how do you think about online retail distribution. All of those questions are good for us because we can help navigate those on behalf of the clients.

The other thing, in this market, the US market that is new for our clients is the introduction of our Walmart data. So, for ten years, Walmart did not contribute its retail data into the retail measurement world. And last year, two years ago, they decided to come back in and bring basically an average of 25% more coverage of the US retail consumption. So all that's new data for our clients to work with. The good news is that I was always representing that before and my numbers were spot on, but now they've got the ability to look at a store level. And those questions that are being asked and answered at the store level are helping create new opportunities for growth for our clients, so all good.

Q

And, Brian, as we anniversary the Walmart data in the third quarter this year, I assume you already thought about the third quarter as [indiscernible] (0:25:18), is there a need to think of modest deceleration in that quarter for Buy, the year-over-year quarter where Walmart was introduced?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

There is no doubt that in the Buy side, there is two big things going to move around this year for us, which is, you're going to have the anniversarying of the Walmart data, and that's going to be a tough comp at the back half, and then you're going to have our Insights business which isn't expected to get a lot better, but it's going to run into the opposite. It's going to have an easier comp. That all told is going to balance out. And then you've got pressure in Western Europe that we're focused on in the information side of the business, very specifically, that is countered by Watch side of the business feeling better. So all hold, it will be pretty resilient and steady, but the pieces might shift around, but certainly the known comp ones are going to face this in the back half of the year. And good and bad.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

You think it is pretty well appreciated, right?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Yes.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Okay. And then, I know you already threw out that. In the developing world for Buy, we don't know when it will pick up, but it's going to be double-digits. How do you sort of say those two things in the same breath? Like, I know it has been double-digits and it's not today, and I know the five and ten year trend, but how long are we going to have to wait till we see double-digits, I guess, is what I'm asking?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

I don't know. I wish I did, but here's what I know. We've got a lot of conviction on this front. We are not going to turn our back at the developing world because our clients are leading us there. So we don't think in quarters. I really don't get concerned about a year. I really thing about a three to five-year investment horizon of how we're going to extend the growth of this company. This company started because the first and second generation Nielsen family followed consumption outside the US and they moved east and they developed this wonderful footprint. We did not, in 2007, plant a lot of new flags around the world. Most of those flags were planted by the first or second generation Nielsen family. So we inherited this great platform and it's our responsibility to keep it going and it's to extend to places like sub-Sahara Africa, to go in deeper in China in the rural areas. So that's our responsibility because, over decades, this model has proved out. And that's why, if I'm in a 100 countries, the next competitor is in eight, right? And if you are a global client and you want a global look, you come to Nielsen. And as long as I continue to invest in that coverage, right, all around the world, no matter where that goes, I'm going to be fine. And I'm going to just keep on putting differentiation between me and the next guy. So it's very, very important and we don't get too concerned about a quarter here or a quarter there or a year here, a year there. I wish I knew, but here is what I do know. It will reaccelerate at some point, it will.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Yes. Questions? Okay.

Q

I'm also new to the story. You've had some recent transactions, can you just talk about those a little bit and how that maybe changed the balance sheet development?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Sure. On the M&A side?

Q

Yes.

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

So two big ones. In December of last year, we announced our agreement to acquire Arbitron. That was done because – I mentioned how, today, we capture five hours of a consumer's day with their television viewing. We add another hour with mobile and online viewing. Radio is another two hours, right? So think about that. We can represent eight hours of the consumer's day in their interaction with media. That's a big deal. Rarely do you get the opportunity to get that kind of coverage expansion because, for us, that gives opportunity kind of couple of fronts. One is, when you know eight hours of a consumers' media consumption, then you can start to really inform folks who care about that. And people who want to attract those audiences and then sell those audiences. And I've got all of the buy data, the retail data that I could use to attach to radio data, just like I'm doing with TV audience data with my integration of Watch and Buy data. So, for us, again, it's another way to increase coverage, another media set and integrate our Buy data. It also gives an opportunity to help extend radio into the digital space as well as extend radio to international markets. So all of that feels really good for us and we can't wait to close that transaction.

The other one that you're probably referring to is that we just announced our intent to sell our Expositions business. So we've always said, our Expositions business, which is trade shows in the US, was not really core. It really had nothing to do with the consumers of Watch and Buy. And we just entered an agreement to sell that for $950 million of cash, that is all tax-free based on the way it's structured. So we think about being able to align these two transactions pretty close together such that when I can close Expositions, collect that cash, then it gives me easy financing for the bulk of Arbitron. So all of that is going to align nicely in our view and the benefits are going to accrue and we're going to have a model that has less trade show cyclicality and a measurement company that just gets even more extended with radio because that business franchise looks a lot like television, so we feel great about them.

Q

What are you paying for Arbitron? Sorry.

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Arbitron is around $1.3 billion.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

When you did the Expos announcement, which was like two weeks ago or...

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

I think it's last week. [indiscernible] (0:30:54).

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

When you did that, you used the term, that would give us more financial flexibility. Could you talk about capital allocation or what you meant by financial flexibility?

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

Sure. So when we had done the Arbitron acquisition at the end of 2012, we talked about how that didn't get in the way of our intent to return capital to shareholders. And in February, you saw that – us put our money where our mouth was the dividend policy. And that was not contemplating any sale of the Exposition business. These were mutually exquisite transactions. We didn't sell Expos to fund Arbitron. It just so happened that timing was coincidental and we had a great transaction with Expositions. So, now, we're in the position where our path to deleveraging is going to move faster because you have that cash from the Arbitron – I'm sorry, the Exposition disposition. So what means is that we'll have more flexibility once we get these transactions closed to think about returning capital to shareholders over time. Now, what that means for us is we love the dividend. We just started it. And we're in our midway of second quarter paying it. So we'd love to have a discussion on what that might mean in the future, but it's too early to say anything specifically. But just know that having done that Exposition transaction, it probably accelerates by about a year in our own thinking about what we had intended to do around de-leveraging and that was going to create more capacity and more opportunities, so more on that to come.

Andrew C. Steinerman
Analyst, JPMorgan Securities LLC

Q

Great. Last question.

Q

Just more broadly, how much of the data that you collect is sort of opt-in or people know that they're being collected as opposed to stuff that's being tracked that they don't really know.

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

A

So we're an opt-in panel company across the board. And we spend a lot of time thinking about all of the requirements around privacy. It's very important to us, to our consumers that we represent, it's very important to lots of people from a regulatory environment or from a representative standpoint. And we will make sure we do that very securely with all of the right privacy intention in mind, but it is opt-in. You know you're being measured.

Brian J. West
Chief Financial Officer, Nielsen Holdings NV

Thanks. Why don't we end on that note, Brian? I thank you so much. I thank all of you for coming. The next presentation is Solera. I also – if anybody wants my research on information services, you can leave me a card and also downstairs we have a registration desk. I have an info services data book that profiles all the info services companies. Thank you so much.