## MANAGEMENT DISCUSSION SECTION

Operator: Good morning and welcome to the Arbitron Acquisition Update Conference Call. [Operator Instructions] Please note this event is being recorded. I'd now like to turn the conference over to Vanek, SVP of Investor Relations. Please go ahead.

### Kate White Vanek, Senior Vice President – Investor Relations

Thanks Emily and good morning everybody, and thank you so much for joining us. Welcome to the Arbitron Acquisition Update Call. On the call in addition to myself is our CEO, Dave Calhoun; our CFO, Brian West; and our Chief Legal Officer, Jim Cuminale.

We have a presentation we'll be referencing, which is on our website. The other documents helpful to today's call are the press release we issued on Friday evening as well as the summary of the SEC agreement, both of which are also on our website. Following the commentary as Emily suggested, we will be having a Q&A session. Please limit yourself to one question and one follow-up.

The following discussion continues forward-looking statements including those about Nielsen's outlook and prospects that relate to the Private Securities Litigation Reform Act of 1995. Forward-looking statements are those, which are not historical facts. These and other statements that relate to future events and results are based on Nielsen's current expectations as of September 23, 2013. Our actual results in future periods may differ materially from those currently expected because of a number of risks and uncertainties. The risks and uncertainties that we believe are material are outlined in our disclosure filings and materials, which you can find on ir.nielsen.com. Please consult these documents for a more complete understanding of those risks and uncertainties.

We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

With that, I will turn it to our CEO, Dave Calhoun.

### David Calhoun, Chief Executive Officer & Executive Director

Yeah. Hi, everyone. I guess as everybody knows, Friday evening after the close of the markets, we were informed that our deal was approved. Sorry, it took as long as it did, that's sort of the way these things happen. I think it reflects more than anything. The complexity of the subject is notion across platform services. But in the end, it really did focus on the right things and it narrowed itself quickly.

We're very pleased with the results. I think it's consistent with all my comments along the way with respect to where the attention and focus seem to be going, but it was a thorough process and there are no surprises and we know it was clearly vented to all interested parties. In the end, you'll see that this concentric rate has aimed to protect a service that's developed for a very important client of both Arbitron and Nielsen and that's ESPN. So we're happy actually with the result and we think it does a good job of protecting that interest.

So I'm going to turn over to page 4, just to remind everybody what this is. This is an expansion of our stated strategy. And you can see it fits as well as anything. You know we wrap ourselves around the behavior of consumers as they purchase things. We've a global strategy in mind. This asset brings to us two hours of media coverage, two hours of influence on consumer purchase behavior and – here in the U.S. and it gives us an opportunity to grow globally. And it allows us to weave these two data sets together to demonstrate for the benefit of advertisers how effective radio is in a complicated and fragmented media market. So in the end, we view this as a very positive thing with respect to our strategy to cover consumers.

Page 5, we'll just walk down the list. Broader platform, this clearly gives us a – again a opportunity to expand our global measurement. As everybody knows this is a U.S. asset for radio. We will use our broad distribution capabilities to introduce it to markets around the world as they become obvious to us. An effect of this, the blend of radio audience data with retail data allows us to demonstrate ROI or the radio clients in our world and for the advertising clients in our world.

We talked about global expansion. I will comment that with respect to global expansion, we will do this at the pace the market allows us to do it and there is nothing in the $20 million of synergies that says we have to do it tomorrow. So we're going to this at a logical and steady pace as we move forward.

Radio offers all the same opportunities as the other medias – mediums we cover, in that it will also be influenced by the digital revolution and all thing streaming and we look forward to that. We believe we have great assets and technology to help with that process. And then finally with respect to synergies and complementary fit, I think everybody knows who has tracked us over the years, we have been consolidating a number of companies that we inherited back in 2006 on a very steady basis and we've gotten quite good at it, even things that are sort of very different in nature.

In this case, we probably have the best fit of any company I have seen with respect to that consolidation – the use of our platforms et cetera. So I feel very good about the – about our ability to garner synergies in rapid order.

Page 6, states the obvious. U.S. market, which is what Arbitron represents, we get two hours of consumer time. That's a lot. Importantly most of that is in a car and most of it is in proximity to retail. So this is a very important asset for us with respect to garnering a bigger share of the consumer's day.

Page 7, I'm going to ask Jim Cuminale since he is with us to just comment on the first bullet which was with respect to the process and ultimately the agreement, but again no surprises along the way and we're pleased that it narrowed itself to the issue that was on the table. Jim?

**James W. Cuminale, Chief Legal Officer**

Thanks Dave. So, Dave pretty much has summarized that this is an obligation for Nielsen to continue contribution of the elements that Arbitron provided for what has been known as Project Blueprint in the past, which includes data from the PPM panel, operation at something called calibration panel, and the provision with some software that was used in the service by Arbitron and comScore for ESPN.

The term of the commitment is eight years and the obligation on the part of the licensee is to use the components that we're providing solely for cross platform service and cross platform service is defined as the measurement of the audience across many number of platforms including radio, online, tablets and TV, but at the least online and TV.

**David Calhoun, Chief Executive Officer & Executive Director**

So, those are the elements. As we've gone through this process, we've had a chance to sort of talked a lot of external interests, clients, et cetera around the space, new streaming entrance et cetera. There is no change in our strategic rationale. We're more committed to than ever and we feel very good about the sort of the implications here going forward. There is nothing with respect to the Nielsen company and/or asset that relates to this license whatsoever. And the closing is expected on September 30, which is the end of the week.

Anyway, that's it. I'll turn it over to Brian to just reiterate what we have stated previously. Brian?

**Brian J. West, Chief Financial Officer**

Thanks Dave. The purchase price is $1.3 billion. The consideration is 100% in cash. We'll use that with cash on with – substantially with cash on hand, but also our recent debt financing last week, which will give you the success, but we want to raise the balance of the funding at very attractive rate. On a pro forma standpoint, pro forma revenue would be $6 billion; pro forma adjusted EBITDA $1.7 and importantly the pro forma EBITDA less CapEx when indicator of cash and the cash conversion is $1.3 billion.

In terms of the ANI per share impact, consistent with our estimate on the July earnings call, we see $0.26 accretive in year one and then $0.32 accretive in year two, $0.06 in year two and our view is that on the synergy side, we see at least $20 million and as we survey the industry players, we look at our own planning, we commit to this number. There will be restructuring associated with it, but we've been very experienced that very attractive paybacks as we see this going forward. And when we expect also, if that would be bigger deal, [indiscernible] 00:09:17, so the synergy numbers were confident. And we measure the timing in months not years. With that, we still view this as a highly accretive and a strategic deal for the company. Dave?

**David L. Calhoun, Chief Executive Officer & Executive Director**

So that said, again, expands coverage both in terms of product and then ultimately taking this to new geography. The effectiveness of the audience itself as it relates to advertisers is a big deal and again increases our global scale. So, anyway, we feel like this is incrementally good for all parties and I'll turn it over to the Q&A.

## QUESTION AND ANSWER SECTION

Operator: We will now begin the question-and-answer session. [Operator Instructions] And our first question is from David Bank of RBC Capital Markets. Please go ahead.

**<Q – David Bank – RBC Capital Markets LLC>:** Hey, thank you, very much. I have one question and two unrelated parts I guess. If you [indiscernible]. The first one is the, with respect to the concessions, are the – is the mandate to continue licensing the Arbitron technology exclusive to a product for ESPN alone or for – is comScore able to license the technology to service other media platforms? And the second question is, just – your 30,000 foot from the sky view here, it's not a big part of this presentation, but kind of a revisit to project de Paulo, a revisit to the concept that – now that you've got this out of home measurement technology and tool, how do you see further integration with the buy side in any different way. Thank you.

**<A>:** So I'll take the first part of your question. The decree looks to us to license this data to a licensee, you mentioned comScore who is the STC's preferred potential licensee. It is not limited to services solely for ESPN. It's to develop a cross type 1 service, that could then be offered to other customers.

**<A>:** And by the way as I think, ESPN has had in itself since day one. So, and but there is – just a reminder, the technology and what it's used for with respect to TV, it has been around for quite some time. It's been available to any and all and it is what it is. So that's not – that's really never been of concern or a factor for us. And so, however, they see fit in taking as forward as far and I do believe that the license clearly was intended to just support the ESPN project and I think for good reason.

**<Q – David Bank – RBC Capital Markets LLC>:** Okay.

**<A>:** And then on Apollo, I really I would suggest that's – that is what actually led to PPM development with respect to Out of Home and some other things. I don't think the notion of that single source is ever really going to take that form. I think that the big data world today single source will take other forms with other kinds of matches. So I don't believe this leads to that process – leads to us sort of a product that can meet that objective. I think Apollo in its time was trying to solve for the same stuff, but I just don't think the product will ever take that form.

**<Q – David Bank – RBC Capital Markets LLC>:** Okay. Thanks and congratulations.

**<A>:** Yeah, thank you, David.

Operator: The next question is from Matt Chesler of Deutsche Bank. Please go ahead.

**<Q – Matt Chesler – Deutsche Bank Securities, Inc.>:** Good morning. I know this is a call about Arbitron, but perhaps allow me to sneak this one in and then I have a follow-up about Arbitron. Is there any update you can provide on the quarter? Currencies move around a bit, they look favorable, anything related to Europe and insights?

**<A>:** I'll take that one. We're just too close to closing the quarter, Matt, for us to really describe anything. Although you did bring up FX. You're right, that is one thing that since our July call that has gotten more unfavorable. At the July earnings call, that might have been 70 basis points of pressure on us on a reported results, that number is like 150 to 160 at pressure. So, it more than doubled. But again that's reported, we measure constant currency. We don't take on any transaction exposure, it's purely for translation for reporting purposes, but that unfavorability will come through our results. It's about 150, 160 on the revenue and probably 140, 150 on the EBITDA side. Other than that, that's probably all I really can talk about.

**<Q – Matt Chesler – Deutsche Bank Securities, Inc.>:** Okay. And then, thanks for allowing me that. And on Arbitron itself, can you talk a little bit about to what extent this decree, I know it doesn't affect any of your existing assets or businesses, but what if that it effects your pro forma ability to offer similar services or cross-platform to those that you're going to be licensing to the licensee. And that was my understanding that in Project Blueprint that Arbitron and comScore both had relationship directly with ESPN for this project. So, the reason for this particular project, will the licensee now have the sole commercial relationship with ESPN for this project or you – will Arbitron under your ownership as well?

**<A>:** So, okay, Jim do you want to handle point two. I will handle point one.

**<A – Jim Cuminale – Nielsen Holdings NV>:** So, on point two, Matt, this is Jim Cuminale. You are absolutely right. The relationship will change now. We will become a provider of capabilities to a licensee and in the case of ESPN and assuming it's comScore who is the licensee. comScore will be a party that delivers that service to ESPN. So, there is a difference there. And this, it transforms that relationship as defined in the decree.

**<A>:** Yeah. And on point one, no we're not precluded in any way, shape or form from executing a cross-platform strategy that we have been at and we will continue to be at. And we'll continue to develop it at a very rapid rate.

**<Q – Matt Chesler – Deutsche Bank Securities, Inc.>:** Okay. Thank you.

**<A>:** Yeah.

Operator: The next question is from Andrew Steinerman of JPMorgan. Please go ahead.

**<Q – Andrew Steinerman – JPMorgan Securities LLC>:** Good morning, everybody. I wanted to ask about Arbitron's intermediate term growth rate. Obviously, I have my model on Arbitron. I was wondering if Nielsen has a view on what the assets that will grow revenue over the intermediate term and in particular, what is the revenue growth need to be to hit the $0.26 in the 00:16:24 [indiscernible]?

**<A>:** So, I'll take a shot at that one Andrew. The accretive nature of synergies $0.26 and $0.30 respectively really are all about mostly things are on the cost side. There's no incremental revenue in there and we didn't expect for real change in trajectory and revenue growth. So, it would be very consistent is the word I would use. In terms of where it's headed, we're not in there yet. We're not under the hood of the company. Everything that we see and all indicating at this point towards very consistent and steady performance. And we can't wait to close and then get in such a really take a look under the hood. But for now, I would just say steady consistent like it's always been.

**<Q – Andrew Steinerman – JPMorgan Securities LLC>:** Right. When we say steady consistent for Arbitron, they just did have some benefit the three year, unusual benefits from the PPM, and so is it the intermediate term somewhat different than the recent past?

**<A>:** Won't get it. If you take that outside because as you point that was a onetime investment, in a steady state in normal world, it's not going to repeat that. It's going to be more consistent with what they've been in the last few quarters, not the last three years.

**<Q – Andrew Steinerman – JPMorgan Securities LLC>:** That's good. Okay. Thank you very much.

**<A>:** Yeah.

Operator: The next question from Todd Juenger with Sanford Bernstein. Please go ahead.

**<Q – David Bank – RBC Capital Markets LLC>:** Hi, this is Dave Bank on for Todd. When if Arbitron's assets or capabilities be useful in accelerating your own cross platform measurement efforts going forward and on a related note given Arbitron's out-of-home capability, should we expect any out-of-home measurements to be included in the TV currency at any point in the future? Thank you.

**<A>:** Let me do the first one – the second one first. We will do our best and we suspect we'll do it well to incorporate out-of-home into our world. So anything we can get that makes that process more efficient, more effective and then ultimately get it incorporated, we will offer that to the market and they will decide whether it becomes part of the currency or the metric. So I feel good about that. With respect to cross platform, to be honest with you, rather than talk about that in the context of currency, I'd rather talk about that in the context of marketing mix decisions that are made by advertisers. There is no question that the audience data and then ultimately the ROI data that we can substantiate by virtue of our buy data integration, that will probably influence marketing mix models out there with advertisers which as you know we are in the business of doing that. So there is a way by which this affects marketing allocation decisions. It's probably not going to be by way of cross platform metric at least not at this stage.

**<Q – David Bank – RBC Capital Markets LLC>:** Right. Thanks.

**<A>:** Yeah.

Operator: The next question is from Andre Benjamin of Goldman Sachs. Please go ahead.

**<Q – Andre Benjamin – Goldman Sachs & Co.>:** Hi, good morning. First a follow-up question on your revenue growth outlook. I know you said you're not and then you haven't gotten under the hood yet, but is there any color that you could provide on how you may think about some of the non-radio business measurement growth for Arbitron and how you plan to integrate that in over time?

**<A>:** I think everything that we talked about on the revenue side were things around going outside the U.S., that's going to take time because the market is going to dictate how quickly that happens and other areas whether it's out-of-home or streaming that our capabilities need to get introduced. So, we don't – we never had contemplated big huge revenue synergies or revenue upticks in our models, but those are natural growth opportunities that we're excited about over the mid-to-long term.

**<A>:** I And I expect on the part of the Arbitron team when they weigh the internal opportunities that have been developed through their lands against the global development and the ROI opportunity with respect to buy data integration, I think these two things will take a significant priority over the internal list of things. So it's not that we're going to go in and just mandate, but I think that's the way I'll sort out.

**<Q – Andre Benjamin – Goldman Sachs & Co.>:** And just logistically, do you expect to retain the Arbitron brand in all the existing lines of services or do you think that you'll more rule and then to the existing Nielsen platform and with your infrastructure methodology, et cetera?

**<A>:** Yeah. Good question. This will becoming a Nielsen branded product.

**<Q – Andre Benjamin – Goldman Sachs & Co.>:** Thank you.

**<A>:** Yeah.

Operator: Next question from Dan Salmon of BMO Capital Markets. Please go ahead.

**<Q – Dan Salmon – BMO Capital Markets (United States)>:** Hi. Good morning, guys. You talked about taking the Arbitron products more globally and sort of allowing the market to control that pace as you bring it out beyond the U.S. Will you think about maybe new product innovation around streaming audio around out-of-home, you have certainly not detailed but a sort of timeline in mind for when that may start to develop?

**<A>:** That's the question you should say for six months from now, when we've had it in our procession for that long. I think it's a great question. Yes. We were focused on it in lot of ways and the Nielsen company had been focused on some of those areas with many of its products. So I think that's a question you should say for six months when we sort it out.

**<Q – Dan Salmon – BMO Capital Markets (United States)>:** Fair enough. Thanks.

**<A>:** Yeah.

Operator: The next question is from Brian W. Wieser of Pivotal Research. Please go ahead.

**<Q – Brian Wieser – Pivotal Research Group LLC>:** Hi. Thanks for taking the question. I was wondering if anyone other than comScore be the acquirer of the Link Meter Technology and maybe relatively just to make sure I'm doing the FTC's technically correctly, do you have the flexibility to shut down PPM if for some reason you decide you didn't want to pursue that approach in the future or are you actually obliged to continue supporting it over the next eight years?

**<A>:** Applies to continues to support it, which again there's no incremental cost for us. It is what it is. So no issue on that one.

**<A>:** So in the Link Meter Technology, you're making a good point, which is that the comScore may have some intellectual property associated with it as well and it is in fact directed to the combination of the comScore online measure with the PPM data show that, that capability or software might not be very useful to a licensee other than comScore. We're just obliged to transfer our interest in it to that party and I suspect if there were a party other than comScore, we would be expected to support the development of something comparable to that for that party's data.

**<Q – Brian Wieser – Pivotal Research Group LLC>:** Thank you very much.

**<A>:** Yeah.

Operator: The next question is from Mark Zgutowicz of Northland Capital Markets. Please go ahead.

**<Q – Mark Zgutowicz – Northland Securities, Inc.>:** Thank you. Good morning, guys. Just a real quick one here. I'm just curious how Arbitron will look in terms of segment reporting, I assume it's going to fall under the Watch segment. I'm just curious, will you be...

**<A>:** That's right.

**<Q – Mark Zgutowicz – Northland Securities, Inc.>:** Segmenting it separately until you sort of get better handle on operations there?

**<A>:** No. it will sit into the Watch segment as you point out as a big media segment. Otherwise, it is too small on its own. So, that's the path we're going to go down.

**<Q – Mark Zgutowicz – Northland Securities, Inc.>:** Okay. Will you be providing them pro forma sort of comparisons to...

**<A>:** Yeah.

**<Q – Mark Zgutowicz – Northland Securities, Inc.>:** I guess better understand the growth?

**<A>:** Absolutely. All that will be in our disclosures and it's probably going to be in the it's early of the third quarter since we're closing on September 30. So, you will all that in our descriptions.

**<Q – Mark Zgutowicz – Northland Securities, Inc.>:** Okay. And then just one last one on PPM. So, the license itself, are there specific terms that we agreed to between yourselves, FTC and the potential licensee or how are those payments going to be sort of figured out over the future?

**<A>:** So, in terms of the substance of the license, the required terms are laid out in a consent decree in a general way. Although I think they're pretty specific and get pretty granular around the data that we provided in the granularity and there are references to what went on in Project Blueprint that will be guideline. In terms of you mentioned payments and I think just to remind you that the fees we get paid under the decree are not less than our direct cost. And so rather than think about negotiating something north of our direct cost, our approach is going to be to do it out of our direct cost in order to accelerate the process of getting this done.

**<Q – Mark Zgutowicz – Northland Securities, Inc.>:** Okay. Fair enough. Thanks guys.

**<A>:** Yeah.

Operator: The next question is from Tariq Omari of Morgan Stanley. Please go ahead.

**<Q – Suzy Stein – Morgan Stanley & Co. LLC>:** Hi, it's Suzy Stein actually from Morgan Stanley. Just a quick question, according to the FTC documents, the public commentary at those into October, which is beyond the September 30 date. Is there anything that can happen as a result of this to change the terms of the arrangement, I guess, I am just curious to the purpose of having that time period extend past the deal close date?

**<A>:** Sure. That's the requirement of the FTC's process, but we've been in close touch obviously with the FTC about our plans and they're fully aware that we intent to close on the 30th which I think gives you a sense of their comfort with their knowledge of the issues and their sense that they conducted a very thorough process. So they have not asked us to delay our closing and we've told them that it was our desire to move forward as quickly as possible, which – to which they did not object. So we feel pretty comfortable that what you see is what you're going to get in terms of the FTC decree.

**<A>:** Yeah. Just a reminder, six months is a long time to have head from literally every interest I believe they have.

**<Q – Suzy Stein – Morgan Stanley & Co. LLC>:** Okay. Thank you.

**<A>:** Yeah.

Operator: Having no further questions, this concludes our question-and-answer session. I would like to turn the conference back over to Mr. Vanek for any closing remarks.

**Kate White Vanek, Senior Vice President-Investor Relations, Nielsen Holdings NV**

Thanks everybody for dialing in today. You know how to reach the IR team if you have any questions in the way of follow-up. Talk to you soon.

Operator: The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.