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PRESENTATION

Kate Vanek - *Nielsen N.V. - SVP, IR*

Welcome to Nielsen's 2014 Analyst Day. I am Kate Vanek, SVP of Investor Relations. And on behalf of the entire Nielsen Investor Relations team, we welcome you. We welcome those who have chosen to attend in person and those who are tuning in from a far via the webcast. Thank you for carving out a portion of your day to spend along Nielsen.

We've met with and spoken to many of you over the past years since our last Analyst Day. And we are excited to use this opportunity today to again educate you on Nielsen, its businesses, the powerful underlying business model, the consistent and steady revenue growth, margin expansion and free cash flow generation, all which yield long-term shareholder value.

I will flip past the forward-looking statement as is my job and will dive right into the agenda. You might ask what goes into planning a day like today, where do we even begin with the agenda and well, we begin with you. We take your areas of excitement, where you need more detail, where your questions are and that is what we roll up into planning today.

We have eight senior leaders from around the globe as well as four industry experts and partners of ours to address Nielsen's path to measuring the total audience and total consumer as well as Nielsen of today and tomorrow.

You won't have to listen too hard during today to hear the words only, unique and differentiated. And I strongly encourage when you hear them pay close attention. They're very key parts to the Nielsen value proposition.

After the presentations conclude, we invite you to join us back downstairs where you'll have time in the Nielsen experience lounge. Your hosts in this lounge are not just Nielsen experts. They are industry experts. So I strongly encourage you to spend as much time with them as possible. If you haven't already downloaded the Analyst Day App, you'll be able to access our presentations, the bios for the presenters, as well as the map to navigate the experience lounge as well as some other good news.

And lastly, we would be remiss if we didn't give you a little bit of something to walk away from. And what you'll find upon leaving is you'll get a universal charger branded Nielsen and what it enables you to do is plug in to over 150 countries as you travel. And I just ask that when you use it, you think of the fact that Nielsen is global, interoperable and plugged into consumers all around the world.

And with that let us begin our day. I'd like to introduce our CEO, Mitch Barns.

Mitch Barns - *Nielsen N.V. - CEO*

Good morning. Let's start with 2014 highlights. First, audience measurement. Our audience measurement business has had a terrific year of growth. Despite all the noise you hear in the marketplace, the fact is that our audience measurement business is up 6% this year. We're not just bigger, we are also stronger. Thanks to the progress we've made on our key initiatives, especially in the area of digital.

Let me touch on three examples. First, mobile measurement, we launched our new mobile measurement capability in July. And it offers our clients flexibility. In fact, we're the only company who offers our clients currency grade ratings for both linear and dynamic ad models.

Second is OCR, our online campaign ratings. OCR is seeing a huge increase in the number of campaigns it's measuring this year and fueling that is the fact that 18 of the top 25 advertisers prefer OCR and that number is only going to continue to grow.

Next is digital content ratings which we just announced the launch of a couple of months ago. And this goes together with OCR. They complement one another. OCR measures audiences per ads and digital content ratings measures audiences per content. This one is huge for us. It's a game changer. And you'll hear more about it as well as our partnership with Adobe later on this morning.

Next, let's talk about advertiser solutions which you'll hear us refer to as marketing effectiveness going forward. This business has had another year of double-digit growth. It sits right at the center of our strategy connecting watch and buy and a big focus here is on improving the ROI of advertising which is a high priority on almost every CMO's list.

Next, emerging markets. Our growth is accelerating in emerging markets. Two years ago, our emerging markets business grew 5%, last year grew 7% and this year it will grow 9%, accelerating growth. Now you might be surprised by that given some of the recent headlines about the slowdown in emerging markets' economies, but look we said this before, we're still under penetrated in these markets and so we've continued to invest and it's paying off. We also successfully integrated two big acquisitions this year, Harris and Arbitron. We've achieved the expected cost synergies and look, these are now solid, positive growing parts of our portfolio.

Partnerships, it's a core part of our operating philosophy to partner with other world-class firms so that we can serve the market better than what we're able to do on our own. Adobe is the most recent example of this. And it joins the list that already includes Alibaba, eXelate, Facebook, SAP, Simulmedia, TIBCO, TCS and more with more still to come. Key to doing this well is trust and confidence in leadership and those fit our brand and our culture very, very well.

And finally, capital allocation. It's a big year for us in the area of capital allocation. We reset our long-term leverage target. We refinanced about $5 billion of our debt for lower rates. We increased our dividend by 25%. We announced $1 billion expansion to our share buyback program. And thanks to our growing free cash flows, over the past 18 months we've returned more than $1 billion to our shareholders. So those are the highlights for 2014.

The growth, strength and value of our business rest on three concepts; performance management, consumer focus and global presence. Let me say a few words about each of these three. First is performance management. At its most basic level, our business is about doing two things, measuring performance for our clients and then helping them to improve their performance. So measurement and improvement, these are the two parts to performance management. And measurement is the core, it always has been and it always will be.

Independent third-party measurement is more valuable than ever in today's fragmenting world and watch the focus of course is on ratings, currency grade ratings across all screens, devices, platforms and ad models to represent the total audience whereas in our buy business, it's about sales and market share, providing both granular local views and consistent global views. We don't just measure our clients' performance though, we also help them improve their performance and we do that through analytics that leverage our measurement and combine it with other data sets to answer questions like how to improve the ROI of their advertising, how to maximize the impact of their promotion budget, how to boost their new product success rates and more. And these analytics, they amplify the value of our measurement business. And they do that because we put them really close together, we link them closely together so they complement one another. And the key to all of this is the breadth of our portfolio which not only differentiates us, it actually puts us in a class by ourselves.

Next is consumer focus. You might have heard us say this before, we measure the consumer. It's a simple, but very powerful little statement. We focus on measuring the consumer. We don't focus on measuring just one screen or a box or a distribution channel. It's not good enough to measure just part of the market. Besides a screen, a box, a distribution channel, these things can fade or they can be replaced but not consumers. Consumers are a constant and we follow them wherever they go.

Now to illustrate this, let me give you an example from our audience measurement business for video. Decades ago, it all started out with us measuring consumers' viewing of broadcast television and then cable came along and some people said, uh-oh, Nielsen is in trouble, but we followed the consumer and we added measurement of cable. And then satellite came along and we added that. And then, time-shifted viewing started to grow and we added that. And now it's digital and mobile and we're adding those two. So in that sense these are new as much as they are the next chapter in a decade's long story that for us has always been about following the consumer wherever, however and whenever they view, representing that total audience.

On the buy side of our business, there is a parallel story. In our retail measurement business, we focus on measuring sales and it started out in grocery stores years ago, just grocery stores and then mass merchandisers and drug outlets and club outlets, they started to become more important so we added those. And then the CPG company started to sell more of their products in specialty stores and so we added those. And now it's the rise of e-commerce. And then you add the global dimension with the complexity of measuring the traditional trade in the emerging markets, so important in those faster growing parts of the world. This is what Nielsen does, we measure the consumer across every part of the market, the easier and more efficient parts and the more difficult parts; it's hard work but it's what you have to do, if you're going to represent the total audience and the total consumer. And we're the only one who can do it and it's exactly what our clients need and that's what makes it such a great business.

Third, global presence. No other company can match our global footprint. It's now 106 countries, which together represent more than 90% of global population and global GDP. It's a huge advantage for our company. Our global presence isn't just about making us the obvious choice for the big global CPG players, which it does, it's also about our access to talent and innovation across all these parts of the world. And increasingly, we're seeing this talent and innovation flow not just from west to east as it's happened historically, but also now from east to west and we benefit from that.

Our global presence also adds to the diversity of our client base, meaning we work not just with the big global players, but also with the fast-rising local and regional players, especially in Asia, and many of these players are looking to expand their business geographically. Nielsen is the perfect partner to help them do that. This is a source of strength and balance in our client portfolio that's sometimes underappreciated but not by me and hopefully not by you.

So performance management, consumer focus, global presence, these three concepts underlie our ability to deliver consistent performance through the cycles. They also are what's behind our ability to deliver this kind of a performance scorecard.

Steady, single-digit revenue growth, let's take a look. EBITDA leverage, normally in the range of [1.5] or more relative to revenue, strong adjusted net income growth, 42% CAGR over the time period we show here which reflects the deleveraging that's been going on in our business. And obviously all resulting in strong free cash flow growth, 24% CAGR over this time period. I love this slide.

Now as much as I love this slide, I never forget that it all starts with a strong leadership team. Some, of them are long time Nielsen experts and some come from other backgrounds, individually they're fantastic and together they're even better. But what I want you to know is behind every one of these leaders that you'll see up on stage here this morning there's a strong talent pipeline and we invest in that talent pipeline every day through our world-class leadership development programs. It's one of the best things that our Company does.

Now as we go through the morning there are a few key themes that I would like for you to listen for. First, you'll hear why the value of independent third-party measurement, which is the core of our business, you'll hear why that's going to go even more valuable in the future.

You'll also hear what we're doing to measure and represent the total audience, and you'll hear why only Nielsen is able to do it and have no doubt, we'll continue to be the currency provider for both video and audio.

You'll also hear how the local clients are the key to driving our accelerating growth in emerging markets. You'll hear what we're doing to improve the value of advertising in the marketplace and we'll share some new details that underlie our ability to deliver this consistent performance through the cycles. So, before I close, I'd like to touch on three forces that will shape the future for Nielsen.

Number one the two key trends that have shaped our strategy over the past several years, population growth and media fragmentation these will remain front and center for us and they will continue to drive growth in our business for as long as we can see into the future.

Our response to both of these trends is coverage, coverage of the consumer, measuring the total consumer and the total audience. Second, the world will continue to see the growth in digital, increases in mobile device penetration and also increases in hyper connectivity in the world, and all of those trends will produce new big data sources, lots of new big data sources. We'll tap into those trends and we'll leverage those new big data sources and combine them with our high quality panels in order to have the best of both worlds, high quality from our panels, and highly granular more descriptive information from these new data sources and all of that will create new opportunities for us to measure and improve our clients' performance.

In fact, we already do this with OCR, but over the next few years you'll see every part of our measurement portfolio move in this direction. And as it does the value of our independent third-party measurement will only continue to grow. Finally, our client relationships they'll grow broader and they'll shift towards the enterprise level.

And a big reason for that is the role of technology in our business will grow much larger as our systems become much more interconnected with our client systems, the role of algorithms, and programmatic systems will continue to grow in the areas of advertising, and marketing and sales. These are all positive trends for our business. We're excited by them. They'll drive speed and productivity gains and they will create new opportunities for growth and through it all the breadth of our portfolio will be more valuable than ever. Also through it all we'll continue to deliver consistent revenue growth, margin expansion, growing free cash flows and incremental shareholder value.

Our business has fundamental strength and we are bullish than ever about the future for our company. There has never been a better time to do what we do. Thanks for joining us on this rainy morning and thanks for your interest in Nielsen.

Operator

Next up to address the compelling financial framework of Nielsen is Jamere Jackson, Chief Financial Officer.

Jamere Jackson - *Nielsen N.V. - CFO*

Good morning. As the books are being passed out this morning, I'll cover for you 2014, give you a look at our 2014 guidance and also 2015 guidance and I'll give some context for how to think about our business into the future.

As Mitch talked about, we have a compelling business model. And the other thing that I'll add is that our teams are executing and delivering outstanding financial results. We're delivering consistent steady mid single digit revenue growth that has been remarkably resilient through the cycles. We have 34 consecutive quarters of constant currency revenue growth and we're investing in key growth opportunities around the world.

Margin expansion, we have a powerful syndicated business model when combined with disciplined pricing and cost out initiatives has delivered over three points of margin expansion from 2009 and 2014 and we've done this while we've made significant investments in emerging markets and while we've made significant investments in the technology to measure fragmenting audiences and you'll hear a lot more about that later today.

I'm often asked by investors, what's the most under-appreciated piece of the Nielsen story and more often than not I'd point to the powerful free cash flow model that our business has. We have sustainable capital efficiencies. You've seen us grow our free cash flow 24% on a compound annual growth rate basis from 2009 to 2014. And this has been an enabler for a balanced capital allocation approach which gives us tremendous flexibility to grow our business and return cash to investors in an investor-friendly way. And over the last 18 months, we've returned over $1 billion back to shareholders. This compelling business model along with strong execution is what positions us to deliver consistent results now and into the future.

Let me give you a little color on the segments. Both our watch business and our buy business have been steady, consistent mid single-digit growers. Our audience measurement business on the watch side is incredibly strong and we have ongoing momentum with the things that we're doing in digital and we're well positioned to measure fragmented audiences. You are going to hear a lot more about that later in the morning from Steve Hasker and Megan Clarken. And the app solutions business from marketing effectiveness business that Mitch talked about is growing double digits as we help our clients answer critical marketing ROI questions.

Our buy business has grown steady through the cycles. We have tailwinds from new client wins, we have accelerating growth in the emerging markets and we're continuing to add analytical capabilities to help our clients not only measure their performance, but also improve their performance. And this has given us a framework to have consistent steady growth through the cycles.

2014 guidance, I'll reiterate what we said on our October call and this chart is exactly what we showed on the October call. Total revenues up 12%. Our core revenues will grow 4% to 4.5% and adjusted net income per share $2.50 to $2.55. We're going to finish the year at about $700 million of free cash flow, exactly what we showed you on our October earnings call.

For 2015 our total revenue growth 4% to 6%, adjusted EBITDA margin growth 50 to 70 basis points, and adjusted net income per share to $2.80 to $2.86. We're going to hold leverage at about 3.5 times and our free cash flow will be roughly $900 million. This is continued execution in line with our long-term financial framework.

On the right hand side, just to help you think about the year next year as we hold leverage at 3.5 times, our net book interest is going to be in the $310 million to $320 million range. Our cash taxes, $160 million to $170 million. Our cash restructuring will be $50 million to $75 million. That's roughly half of what we had this year. And you're going to continue to see us be more efficient in terms of what we do from a restructuring standpoint going forward. And then based on the way we plan to execute the buyback, we will be at about 371 million shares on a weighted average basis for 2015. So continued execution in line with our long-term financial framework.

Let me give you a little color on the revenue range. The good news about my revenue range is I get an opportunity to wake up on January 1 with about 70% of my revenues in backlog. So as I look at 2015, we see our watch business growing 4.5% to 6.5%. Our audience measurement business, which now includes audio with a growth range of 5% to 6%, app solutions with continued momentum in the 10% to 15% range and then our other watch business will be flat to down slightly as we continue to run off some of the legacy digital ratings products.

The key drivers for us next year on the watch business will be our execution on total audience measurement and the continued traction with digital ratings. We're excited about the partnership with Adobe and what that means for our business and continued momentum, as I said, in add solutions.

On the buy business, look we're still in a two-speed world here. We see the developed -- we see the total buy business at 3.5% to 5.5%, the developed markets in 1.5% to 3.5% range and the emerging market acceleration in the 8% to 10% range.

We have tailwinds from new client wins. We expect some moderate recovery in the discretionary spend environment. And as I said, the emerging markets have grown well. While the multinational clients have been growing in the mid-single digit range, we've seen tremendous progress with our local book of business and that business is going to fuel us into the future, so total Nielsen growing 4% to 6%.

A little color on foreign currency impacts. I remind you that we report on a constant currency basis. We generally don't take on transaction risk. So what you see us report is usually for translational purposes. And on the left hand side of the page you'll see our currency profile, 55% in the US dollar, 11% in euro, and then no other currency greater than 4%. You'll see that 24% bucket or about 25 currencies in that bucket. So a little movement and a lot of currencies can have an impact for us. What you should take away from this is, on the right-hand side of the page, for fiscal year 2015, we see about 120 basis points drag on revenue and about a 70 basis points drag on EBITDA, that's worth roughly $0.05 and that's baked into the range that we laid out on the 2015 chart.

Shareholder value and capital allocation, the combination of our powerful free cash flow model and a strong balance sheet has given us the opportunity, as I said, to grow our business and return cash to shareholders in an investor friendly way. When you look at the way that we'll think about executing on our free cash flow allocation, we'll allocate roughly 45% of the dividend, which we intend to grow in line with earnings, we'll toggle 40% between buyback and tuck-in M&A opportunities and the remainder to service the debt. That combined with a strong balance sheet gives us that flexibility that I talked about. And as Mitch said, we've been pretty busy over the last 18 months. We've successfully integrated Arbitron and Harris acquisitions in that grow piece of the business. We've updated our long-term leverage target to the three times area. We're comfortable running the business in this range. We refinanced $5 billion of our debt stack, lower interest rates, my weighted average interest rate right now is actually below 4%. I extended tenure, had investment grade like covenants. We increased our dividend by 25% and it's up 56% since the inception. And we have $1.5 billion buyback authorization in place, $0.5 billion of which will be complete by the end of this year and then we'll execute the other billion by mid-2016.

Again, we're committed to grow the business, committed to return capital to investors in an investor-friendly way. And this has resulted in an impressive financial scorecard for us. If you look at our revenue growth, consistent steady mid-single digit revenue growth through the cycles and adjusted EBITDA growth rate at about 1.5 times the revenue growth rate. Our earnings per share is up over four times if you look back to 2009. Tremendous deleveraging of the business and again that growing free cash flow profile that is increasingly becoming a big piece of the Nielsen story. This is an impressive financial scorecard. It's a combination of our businesses executing on a very strong business model.

I'll give you our long-term financial framework. You've seen it in the past with us. Revenue growth mid-single digits, we've been consistent through the cycles, we see that going forward. Our adjusted EBITDA growth rate of one to two times revenue. Emerging market growth, we have tremendous momentum there. You are going to hear a lot more about that later from John Lewis and Cheong-Tai as they talk about the progress that we're making in the emerging markets. It's a great story for us. Our earnings per share growth in the double-digits and mid teens range, so if you looked at the de-leveraging that we've had, we have a lot of gunpowder associated with deleveraging.

We also are in a period where we're doing a buyback. And we've got the FX drags that we've had, so mid-teens to double digits is a rate that you ought to think about us over the next four or five years or so. Our cash tax rate is sustainable in the mid-teens to low 20s, target leverage in the three times area and divided in growth in line with earnings. This is pretty consistent in terms of our financial framework and this is what you can expect us to execute as a team.

So I'll wrap by saying, look, this is a compelling business framework with great execution. Consistent steady, mid-single-digit revenue growth, ongoing margin expansion, compelling free cash flow growth profile, and attractive capital allocation strategy, I'll say that our teams are executing, our future is bright, this is Nielsen. Thank you.

Operator

Next up to cover the Nielsen advantage that comes from leveraging our global platform is Brian West, Chief Operating Officer.

Brian West - *Nielsen N.V. - COO*

Good morning, everyone. I'm going to provide an update on our global platform, how strong it is, where it's headed, and most importantly our confidence in returning long-term value to our shareholders. It all starts with our foundation and our data assets. Nielsen has the world's most comprehensive understanding of the consumer. We know what they're watching, what they're listening to, what they're doing and saying online, what they're buying. And all of that data then becomes truly unique with what we do with it. It's that middle section of that chart. It's our gray matter. It starts with our data science. There is a highly sophisticated apparatus that allows us to project total markets based on samples, and it leverages thousands of world-class Nielsen associates and decades of institutional know-how.

We also do data enrichment, is important. I'll give you an example in our buy business. We have a very big product called Retail Measurement, revenues well over $1 billion. Well that product is what allows us to compare toothpaste from Crest to toothpaste from Colgate, and it's because we embed a Nielsen proprietary code on every new product that's ever been introduced into the market, everyone.

Now think about what that means, we serve 20,000 clients plus; we cover over 15,000 categories; we have over 30 million items, think UPC, and each one of them has its code. It is about this long, and it carries with it many characteristics that allows us to describe that too a toothpaste, right. And I do it in 100 countries across a million retail outlets. And when you add it all up, we're talking trillions of data elements that we are responsible for.

All of the answer, one question, how did I do, how did I do, what's my market share, am I winning or am I losing, fundamental to our clients. And think about, for a minute, trying to replicate what I just described, this has been built up over decades, tough.

Another element of our value-add is around analytics. We take advanced algorithms and put them on top of these big data sets to help our clients answer questions around price, promotion, assortment, program in the media world. All of this gray matter is with the goal of focusing on performance management measure, so our clients get better and they improve and we're well positioned in these areas.

One big underpinning of this foundation has always been a commitment to innovation, 90-plus years, and we invest heavily in intellectual property. There are over 2,000 measurement scientists and engineers who wake up every day dream it up, creating, commercializing and protecting the next generation of measurement. We have over 2,200 patents around the world, that's up four fold in the last eight years. One of the biggest areas of our IP portfolio is around total audience, over 1,700 patents, everything from our proprietary panels to using and handling third-party data sets to the next generation advanced measurement capabilities through mobile.

We also invest in accreditation, working with the Media Ratings Council, the MRC. Now when a product gets accredited, it's not won and done. There is a significant ongoing investment required to maintain accreditation. In fact, in any given year, there is over 30,000 hours that the independent auditor Ernst & Young spends on accrediting and maintaining our products. Every single day, the MRC and its independent auditor E&Y is in the Nielsen offices, a big commitment to making sure we have the highest quality standards of measurement and investing behind our intellectual property because these are deep competitive advantage for Nielsen and they are important key components of driving long-term shareholder value.

On the topic of innovation, we get to ask from time to time in a big data world our panels, meaningful, absolutely they are. Let me give you an example. There is a big data set around the media world called the set-top box data set, many of you are familiar with it. There's good data in there, right, but it's not measurement data, right. It's not going to define market shares as a currency. There's too many inaccuracies and it's too biased. Let me give you a couple of examples.

It's looking at only TV sets and only sets that have a box that sends data back to the MSO. So it accounts in this market for half the boxes, so it's missing the other half. It also reflects tuning data, in other words what was distributed through the pipe to the house, doesn't verify what content was consumed and it doesn't know who consumed it. It has no demographics and no household characteristics. So a quick silly example, if you're a football fan and you're having a Super Bowl party, you've got a room full of people and lots of eyeballs, the set-top box doesn't know that. It's also missing parts of the market and it doesn't account for all viewing sources, which has the impact of under representing key demographics. So for instance, if you are a Hispanic viewer in Dallas, 40% of your viewing happens broadcast only over the air, set-top box doesn't know that. So it's a dataset, right, but it's got inaccuracies that prevent it from being a real measurement for market share. It would only distort it.

Let me tell you a little bit about the opportunity though, it's around calibration. It's calibrating big data sets to our panel and let me talk about that household, Nielsen household panelist, 20,000 panelists households, 50,000 people. We collect a lot more characteristics than just age and gender, a lot. We know all about what's happening in the household. It is scientifically selected, it is perfectly represented and it directly measures what's happening in that household. So, yes, when you're having a super bowl party, we actually know how many guests you have in house. And when you're in Dallas, we account for over the air. So we know those important Hispanic viewers.

But the power of this panel as we have learned is that it can be calibrated. And we've been working with set-top box data for years and we have been perfecting techniques around this calibration so that we can create a better measurement universe because when we can calibrate these data sets into our panel, we get more stability and deeper granularity with the same Nielsen quality.

So make no mistake, this panel and these demographics are incredibly powerful and they can help and form other data sets, but it's not the other way around.

On the topic of data from the client lens, and we are out there with clients all day long listening to what's on their mind and the topic of data and it's a big topic. They get a lot of distribution data and it usually comes out of their supply chain system, shipments, inventory, et cetera, you know what that looks like. There's a lot of consumption data that our clients get. Nielsen provides the vast majority of that consumption data. Our clients know what was distributed. They know what's shift. We tell them what was consumed and just trying to reconcile those two ain't easy. And then on top of that putting marketing data, lots of data where our clients are trying to promote their brands and find their consumers. So clients today say it's not fast enough, it's not integrated, it's too high touch, it requires too many super users, superpower users, too many extracts, too many Excel spreadsheets, too much waste, too much waste.

Now for us, we got a lot of content in this game and we see this is nothing but opportunity. So the conversation we have with our clients is this picture, we are out there with the leading CPG clients talking about how to bring this picture to life which is a system that is much more integrated.

So the blue dots that's Nielsen. We work on trying to pipe our data, flow it into the client ecosystem; one, using APIs, existing technology, and then we work on harmonizing this data because I mentioned reference data. Our reference data in the retail world and the media world acts as glue, glue that can connect all of these other data sets and help our clients go from complexity to clarity. This is a real conversation, real capabilities and we know that Nielsen can't do this on their own. We, you already know about our relationship with Adobe, you'll hear more about it, but we work with clients like Salesforce.com, TIBCO, SAP, IBM to help solve this on behalf of clients because our clients need us to be there for them to create more simplicity. And it's less touch, less human intervention, everything flows more seamlessly and it's lower cost of the entire system in order for our clients to go activate the data and go grow. This is real, we're working hard on it, it's a bit of a journey but we're off to the races.

One big benefit that Nielsen will get in this whole topic of digital enablement through technology is productivity. We're very proud of the productivity we've generated over time. We've gone from thousands of applications in 2007 and cut it in half, right, and going into the next three years we're going to cut in half again and start measuring the number of applications in the hundreds, not the thousands because we'll have fewer, more powerful applications that require a lot less maintenance and a lot less touch. Our big proponents of shared services creating global centers of excellence, leveraging scale, it's what we do; about half of our operations are there today. We're on our way to where it's more like three quarters.

And when you're in our world of tens of thousands of people across 100 countries, you've got lots of people who are looking for new ways to integrate and create scale and drive leverage. We, also the last one, are focusing a lot more about how we have digital enablement of our products, electronic, end-to-end. So from data acquisition to giving it to the clients making that more digital and electronically enabled. That's another lever for us, because that will mean fewer hands touching it, letting it flow and making it meaningful in our clients' eyes. All of this is our continued commitment to productivity.

We have a proven track record of delivering year-in and year-out. We view this whole topic as regenerative, it's renewal, it's always there. There is more things to always be working on and we're hard at work every day.

At the end of the day, we've got this wonderful business that's core and its center and its core is around measurement, measurement of that consumer. But as we set our sights higher, it's way more than just measurement. It's around performance management, helping our clients. Yes, we will measure those consumers completely, yes, we will model the future outcomes but we will embed ourselves more with our clients in order to help them mobilize, allocate resource and then manage the performance of their business. And what this requires from us is very new different relationships with our enterprise level clients. So not just research and marketing, but we're spending more and more time with CIOs, CTOs, the Head of Operations, the Head of Sales so that we can be bigger players in our clients' world and help drive better outcomes, and we think this drives long-term shareholder value all day long.

To wrap it up, we've got very powerful data assets and what we do with that is very unique and we invest behind innovating all day long both with our people and our technology. The thing with the technology is we know that we can't do this alone. We have a value in this company called open. It will get tested all day along with our openness to work with other players in the ecosystem and partners, we look forward to that. And at the end of the day, we have the ability to drive results through productivity and margin expansion. There is more work to do. And then at the end of the day, it's all about unlocking value. Value for our clients through performance management and value for our shareholders so that we can continue to deliver incremental, attractive returns and incremental shareholder value. Thank you.

Operator

From here, we'll begin our first Q&A session.

Kate Vanek - *Nielsen N.V. - SVP, IR*

One second, while we pass up the microphones.

THOMSON REUTERS

QUESTIONS AND ANSWERS

Sara Gubins - *BofA Merrill Lynch - Analyst*

Hi, thanks. Good morning. Sara Gubins from BofA Merrill Lynch. I'm hoping to get a little bit more color about how you are thinking about 2015. First in online, could you give us a high-level sense of what it's contributing today and how you are thinking about that development in 2015 and beyond? And then second, you mentioned that you're expecting some improvement in discretionary spend in your buy expectations for 2015. Is that something that your clients are starting to talk about yet or is it more based on an expectation of an improving macro environment? Thank you.

Mitch Barns - *Nielsen N.V. - CEO*

Yes. Thanks, Sara. Okay, so when you mention online, I assume you're referring to online campaign ratings, OCR, yes. Look, this contributes to our business in at least three ways. I could probably go to a longer list. First, it's an architecture that we leverage in a couple of different metrics and in a couple of different parts of our business. We use it for video, we use it for audio and we use it for text. That same architecture also is the basis for digital content rating. So it's having value in the sense of the initial invention now gets used in multiple ways.

Second, it's part of our strategy. And so when we go have these conversations with the big media companies when it comes to time to renew those contracts, they see the power of that capability and then that colors that entire conversation around the contract renewal. And it makes it more positive, because they can see that we've anticipated the future and we have a very powerful capability that can cover a lot of the needs that they'll see for their business going out into the future. And then the third way it delivers value to us is, it's a product and some clients buy it as a stand-alone product and it tends to be more of a digital first kinds of companies who pay it separate from an overall audience measurement contract and we're seeing that part of our business grow quite rapidly.

We're seeing, as I mentioned, the huge increase more than doubling at the current pace right now, but it's not yet to a level where we're breaking it out and reporting those revenues separately. We're all anxious to get there. You'll hear Steve talk a little bit more about how we're viewing the path towards our overall digital growth, so he'll update you on that just a little bit. I don't want to preempt his storyline there, but we feel great about it. It's adding value in multiple ways, not just the direct paid piece of it.

And on discretionary spend, I will ask Jamere to add to this, but I've been in this business for long time, 29 years, 17 at the Nielsen company, I guess it's almost 18 now, getting old, and the discretionary spend kind of goes in cycles and it's been soft now for most of this year. And so history says it's going to improve sometime because it almost always does, will it be next year, there's a chance that it will. And so in anticipation of that that's the way we're viewing the discretionary spend because those business questions that our clients have, they don't go away. Sometimes they get deferred or pushed out, but they don't go away and eventually they need to get addressed. And the softness in our insights business, by the way, it's strong in most of the world, soft mostly just here in the US. It's not because we are losing market share, that's not it, it's really just the clients themselves pulling back for a moment in time.

Jamere Jackson - *Nielsen N.V. - CFO*

Yes, just to add on the discretionary spending, I mean, we continue to have discussions with our clients around the discretionary spend environment. We get pretty good visibility into the kinds of things that they are thinking about. I would say the one area that next year you'll potentially see a little bit of lift is in the area of innovation where our clients, as they are looking at opportunities to grow their business, are going to pick up the pace a little bit in innovation and you'll see a little bit of that next year. We're counting on some moderate recovery in that environment.

Mitch Barns - *Nielsen N.V. - CEO*

Yes, one key thing about that. I think it's a great point, Jamere, on innovation, if you look at it globally, the local companies in some of these faster-growing markets they're winning market share from their global competitors. One of the reasons why is they've been leaning a lot more heavily into innovation whereas the global players stuck with the scale play too long. And now the global players are, in some cases, re-calibrating and so you'll see exactly what Jamere said.

Unidentified Audience Member

(inaudible - microphone inaccessible)

Kate Vanek - *Nielsen N.V. - SVP, IR*

Unfortunately we're going to have to ask you to repeat that.

Jamere Jackson - *Nielsen N.V. - CFO*

Sorry about that.

Mitch Barns - *Nielsen N.V. - CEO*

[We got] about half a bit.

Kate Vanek - *Nielsen N.V. - SVP, IR*

Yes, let's make sure we have a great mic there.

Unidentified Audience Member

So the question is on the 2015 -- any color on the 2015 outlook for margins and your commitment to continue to invest?

Jamere Jackson - *Nielsen N.V. - CFO*

Yes, so we'll continue to invest in a very disciplined way in the emerging markets as we look to expand coverage. John will talk to you a little bit about our strategy there. What we've seen is that some of the earlier investments that we made in the emerging markets are starting to scale and you started to see buy margins this year move in the right direction and as we continue to have some of those benefits you'll see a little bit of that in next year as well.

Kate Vanek - *Nielsen N.V. - SVP, IR*

Next question here.

Andrew Steinerman - *JPMorgan - Analyst*

Andrew Steinerman from JPMorgan. (inaudible - microphone inaccessible)

Jamere Jackson - *Nielsen N.V. - CFO*

So the question, just to repeat the question, is we report a revenue number in 2014 that is a core revenue number that you saw our 2014 range being 4% to 4.5%. That number is basically backing out the Arbitron and Harris acquisitions. So the question is, as we think about next year we think about the tuck-in acquisition potential, how does that sort of impact the range I think to sort of paraphrase in acquisitions.

So the way to think about it is in our -- in any given year, we'll do tuck-in acquisitions. They have the potential to add a point or so to our growth rate. You've seen that historically in the past, but that number also has where we're pruning the portfolio and we do dispositions of products and those sorts of thing. So in any given year, you may have a point or so that's in that number.

The other thing that you need to take into account is that the businesses that we acquire over time have the same business profile and roughly the same revenue growth rate. So you never see any distortion when you're looking over a longer period of time. Any given year you may have a little bit.

As you think about moving into next year on the upside of that there is a potential that you could have some tuck-in acquisitions that will impact that. But we also have, as I talked about in our watch business, legacy pieces of the portfolio that we're pruning, that are going to drive it down. So the range is pretty consistent and the framework is pretty consistent with the way we thought about it in the past.

Andrew Steinerman - *JPMorgan - Analyst*

(inaudible - microphone inaccessible)

Jamere Jackson - *Nielsen N.V. - CFO*

In that they don't, because again this is a combination of tuck-in acquisitions that add a little bit pruning the portfolio your net in roughly the same range and that's why the framework remains relatively consistent.

David Bank - *RBC Capital Markets - Analyst*

Hey, thanks very much. David Bank from RBC. A follow-up I guess on the sort of really great granular revenue range that you've given. The ad solutions business which I think to a lot of us a really powerful example of the Nielsen difference, the holy grail matching buy and watch, if you look at your guidance a year ago on that business it was sort of low end about the range you're guiding this year and high end even higher. I would think that this is the kind of business that should see fairly expansive acceleration year-over-year given the product. Can you talk a little bit about what's going on with ad solutions?

Mitch Barns - *Nielsen N.V. - CEO*

Yes, sure, it's still mostly not exclusively, but our ad solutions business is still mostly in the United States and the discretionary spend environment in the United States with the client base that we work with has not been great and it's actually against that headwind but our ad solutions business has produced pretty strong growth this year. So as that evolve, discretionary spend environment improves, I think we are going to see that ad solutions business continue to turn in strong double digit and might get right back to the range, the reference that you mentioned from a year ago.

So remember that headwind that we're going into in the US and yet despite it we still delivered the strong growth in that part of the business because you're exactly right it's delivering against that question the people long asked. In fact, they kind of stopped asking it years ago because there was no answer. Now because of all these big data sets and the power of being able to put them together and do it productively we're able to answer that question, they trim waste out of their marketing budget, the ROI of advertising goes up and ultimately what that will lead to is I think more money being spent on advertising instead of on some other part of the marketing plan. I think that's positive for the marketplace in so many ways.

Dan Salmon - *BMO Capital Markets - Analyst*

Hi, good morning guys. Dan Salmon from BMO. I will also ask another sort of about one of your layers of the revenue guidance there and that's the other portion, the older digital products that are burning off a little bit over time. If we look out beyond 2015 a little bit, is there a point where we start to see that stabilize, do they have to burn to zero, but that's something we have otherwise great growth here in the segment, just would be interested to hear about what exactly that is because I'm expecting we're going to hear more about the things that are growing later today and not (multiple speakers)?

Mitch Barns - *Nielsen N.V. - CEO*

Yes, sure. The big chunk of that is our old NetView product that still is a useful capability for us. We still use it in other applications, but that was our old legacy product that in a sense was focused on content measurement. Now with digital content ratings coming out, we will see a very contemporary powerful product built on the same architecture as OCR and those two products will complement one another in the marketplace. In fact, we said it before, digital content ratings of this newer product will make OCR more valuable to our clients. It's already doing well even without digital content ratings, but once digital content ratings gets out there, OCR will probably do even better than it's already been doing.

Legacy product, digital content ratings will place a lot of the utility that that has historically provided. So you'll see those things trade off, but still some of that core capability will fuel a lot of our other products in the sense that Brian talked about in his presentation about how you still need a high quality underlying panel that you combine with the big data set, which is the way OCR works. We leverage user registration data from Facebook, we leverage big data set from Experian and our high quality panel, those things going together to comprise that capability.

Andre Benjamin - *Goldman Sachs - Analyst*

Thank you. Andre Benjamin, Goldman Sachs. The follow-up on Sara's question on the buy segment discretionary spend. I was wondering in the buy guidance you gave a split between developed and emerging gross ranges. Is there a range that we can think of that's embedded in this 3.5 to 5.5 per se insights versus the rest of the core business and how we should think about the sensitivity around that discretionary spend, like a natural number?

Jamere Jackson - *Nielsen N.V. - CFO*

So we specifically haven't given guidance on insights versus info. I think two reasons and you're going to hear a little bit about it later today in John's presentation. As we think about the environment and what we're actually trying to deliver to our clients, we're linking more our info and insights business together. And so what we are thinking about inside the company is how do we sort of grow our business in total, and what are those solutions look like for the client.

And so as we continue to do that, the lumpiness that you see in insights business associated with the discretionary spend environment potentially over time becomes muted and we're going to -- we're moving quickly in that direction and John will talk a little bit about it today as it relates to our strategy.

Todd Juenger - *Sanford Bernstein - Analyst*

Hi, thanks. Todd Juenger from Sanford Bernstein. You'd spent the morning talking about very long-term stuff and all of a sudden we dive in on 2015 so I'm going to try and expand it a little bit. Let me tee it up in this way. Jamere, you talked about having 70% of your revenue booked looking into 2015. I think you actually have a lot more visibility than that, anything you can share about core piece of your business that are under even longer-term contracts and how much you have contracted beyond to 2016-2017 as a percentage of that revenue and the growth rate and confidence you have in that.

And then on top of that, you gave a long-term financial framework, we'd love to hear sort of what's sort of your stretch upcycles you have set for yourself and what you'd have to believe to get to the top end of that range and of course also the offsetting key risks against getting there? Thanks.

Mitch Barns - *Nielsen N.V. - CEO*

I'll start. On the 70%, it just refers to the fact that we already have that under contract. You're right, we have visibility to the other component of it, but you already start the year with 70% already under contract.

Jamere Jackson - *Nielsen N.V. - CFO*

On that point, we have 70% basically in the backlog. We know where to go chase the other 30% and the teams are working at. And I think that's what gives us a lot of confidence around the ranges that we talk about. And so as we look at 2015 and even beyond 2015, we think about the long-term nature of the contracts, we think about the solutions that we're putting in the marketplace, we think about the capabilities that we're continuing to expand, we have a lot of confidence about being able to say that this is a business that will consistently deliver mid-single digit revenue growth and has shown remarkable resiliency through the cycles and the characteristics of our business haven't changed.

Kate Vanek - *Nielsen N.V. - SVP, IR*

Thank you guys for your great questions. We'll continue on with our day.

Operator

To kick off our next section, capturing the total audience and touching specifically on measuring the consumer in the changing video landscape is Steve Hasker, Global President.

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

Okay, we're going to change speeds a little bit now. Over the last number of quarters, we've all heard lots and lots of noise about what's happening to consumer behavior in and around media and what some of the challenges to measurement are. So I wanted to spend a couple of minutes giving you our view as to what's happening to consumer behavior at a high level and I would humbly submit that we have the definitive data sources around how consumers are spending their time and attention and talk about what opportunities that presents to us as a leading measurement provider.

Okay, so when we think about all the different trends that are out there in terms of the way consumers are consuming video differently and many of these trends also pertain to audio and text, but I'm going to focus on video in the next few minutes, we think there are three broad trends. You can distill them down to three broad trends. The first one is that audience fragmentation is accelerating. So in other words, fragmentation across channels, across time occasions, across networks, across devices, across platforms is accelerating and will continue to accelerate. We will not see a slowdown in the complexity of options presented to consumers to consume video. That's the first trend.

The second trend is that media companies are exploring new business models. They're exploring putting their advertising through programmatic exchanges. And they're exploring SVOD opportunities, direct subscription from consumers by third parties and through their own owned and operated services. And thirdly, the measurement needs are expanding beyond C3, C7. If there's one message I want you to take away, it's that C3 and C7 is not all we measure. There is a difference between what is in the industry agreed TV ratings and all of the different things that Nielsen measure.

So let's take a step back and look at what's happened since the 1960s and this is a very high level schematic as to the kinds of innovation, right. So starting with the invention of TV, black and white then color, the VCR in the mid-1970s all the way through to the last couple of announcements around Comcast, Amazon's Prime Instant Video, the eighth generation game consoles released by the major OEMs in that space and so on and so forth. And the point that I want to make is that this is accelerating, the rate of innovation is increasing and the number of players whether they be TV networks, whether they be digital pure plays, whether they be intermediaries, OEMs so on and so forth, the amount of innovation is increasing and it's [boil] of new devices and new opportunities for consumers to consume video in different ways.

So what is the impact of all this on consumer behavior. So this looks at the overall media usage for persons 18 plus between 2002 and 2014. So this includes video and it also includes consumption of other types of media through different devices. It doesn't include communications. So time spent on the phone, speaking or texting and so forth is not in here. But there is a couple of points that really jump out here. The first is that the amount of time spent watching live TV is actually declining and it has been very slowly declining for persons 18 plus since 2009. That decline is partially, if not almost entirely, offset by time-shifted TV.

Notwithstanding the pressure on that time and attention, consumers in the US now have a second job and the second job is consuming media. It's almost 52 hours a week and if you think about it, it makes sense because 20 years ago, we weren't able to watch video sitting at our desks, not that I do, but we weren't able to watch videos sitting at our desks, now we are. We weren't able to consume video on the bus, on the way to work, now we are. And so the time that we're able to access rich content, media, advertising and video has gone up and we see tremendous growth in the use of tablets and smartphones, PCs, multimedia devices and so on and so forth to access this. And what we're going to see is more and more opportunities for consumers to consume more video.

If you think about wearables, if you think about more connected devices throughout the home, let alone the driverless car, we're going to see consumers consuming more video. And undoubtedly a tree doesn't grow to the sky, but consumers will find ways to increase beyond the 52 hours per week and that presents opportunities for advertisers to reach those consumers. It presents opportunities for the owners of great content to put that content in front of consumers and monetize it and it represents opportunities for measurement providers like Nielsen to simplify this environment down to a relatively small number of metrics that are accurate and that represent the entire population and that's the opportunity ahead of us.

So one way we think about the video viewing landscape is by device across the top of the page TV over the top devices like roku boxes an apple boxes connected to TV glass, a PC, a tablet or a smartphone, all of these things can and are used to consume video today. And then down the left hand side of the page we have the things that we need to measure and a rough approximation of the ways in which content is monetized. So C3 puts together programs and ads and presents an amalgam of that and separately we are seeing more and more demand for separate content measurement and separate ad measurement because of dynamic insertion of ads.

So bit of a history lesson for a couple of seconds here. In 2007 after more than a year's negotiation between buyers and sellers Nielsen launched C3 which is the average audience over a commercial pod live and for the next three days. That was the compromise that the buyers and sellers reached to create C3 which we launched in 2007.

In 2011, we made a couple of incremental but important changes. The first was, we extended C3 to include over the top content that carried the same ad load and viewing on a PC that carried the same program and ad load. So we stretched C3. And we also, very importantly, launched a breakthrough product called Online Campaign Ratings that we've been speaking with you about ever since and we're very proud of the development of.

So going forward, what is our plan to do and we put all the pieces in place to be able to measure the entire grid. Should an advertising agency and a TV network want to trade on C3 and C7 across all the platforms, they will be able to do that. Should a programmer on advertising agency want to trade purely on the audience to an ad they will be able to that. And where an ad sales force needs to be able to represent the total audience to their program, they'll be able to do that.

Megan is going to jump up here next and she is going to talk about the assets we are putting in place and the product plan to do this. But I want to leave you with this point about measuring total audience that is our mission. We are on that mission. We are proud of where we. And we continue to march forward. We're going to need more and more cooperation from the industry and there is going to be a dialog around what the definition of those total audience metrics will be, but we have the assets in place where whatever that definition turns out to be, we are positioned to measure it.

Okay, so taking a step back, where is total audience for program is and total audience for campaigns sit in our overall watch or marketing effectiveness strategy. Well this is something that we've talked about for a couple of years now, and I just want to touch upon this framework because it has gotten tremendous traction in the marketplace amongst agencies, amongst ad sales forces and advertisers themselves. We measure the reach of a program or a campaign, we measure the residents and we measure the reaction. So what is the reach? It is the total audience that that particular ad reached or that particular content reached and that is where the OCR investments we've made, the panel investments that we made come together to combine panel and Big Data and you're going to see us continue to innovate around that. And we do this for video, we are in the process of extending this to audio and we do this for text.

The second question we answer is, did that add resonate, did it change attitudes for the consumer. We have the Nielsen social suite of products centered around Nielsen Twitter TV Ratings. We have the Brand Effect suite of products and we have Nielsen Neuro on Neuroscience labs that we have here in the US and we're launching in more and more markets internationally.

And then last but certainly not least, some would argue most importantly how did it change behavior, what was the consumers' reaction, did a consumer go and purchase more of a product. You hear a lot of people talking about it just -- the outcome is what matters and we are positioned to measure the outcome. We have the single best measurement of reach. So we know what the consumer exposure to a particular commercial or ad was and by combining with loyalty card data via the Nielsen Catalina venture and with credit card data, we're able to measure on a daily basis the reaction, the actual purchase behavior, and it's a very powerful suite of products. We put these things together in our marketing mix models, we're the world's largest provider of marketing mix models, and Ross Link and his team are here so they will be able to take you through that in the expo should you be interested. And we are innovating around multi-touch attribution which we believe is the big data equivalent to marketing mix models.

All of this data flows into the planning systems and increasingly there is demand amongst the programmatic buyers and sellers to have the Nielsen data in those exchanges, and we'll talk a little bit about that. Megan will talk about that and we'll talk about that on the panel afterwards.

Okay. So increasingly, we think about video, audio and text and we think the consumer leads seamlessly across those. I don't think about TV versus digital. Increasingly it is a cross-platform experience and a consumer is consuming video, is consuming audio or is consuming text. And increasingly advertising agencies are recognizing that and driving campaigns. Having said that, we recognized that many of you are interested in what the digital opportunity is and whether that's additive to our company's revenues and profits.

At the Investor Day last December, we talked about a rough approximation of the opportunity, the market opportunity for all measurement front players and we looked at $83 billion in TV and radio spend and we looked at the fact that the measurement takes about 2% of that. So Nielsen is the currency provider in video and audio here in US. It takes about 2% of that in terms of revenues and then we said in the digital environment, we think that video will approximate that. So that is not unreasonable to expect that as video grows to $15 billion in 2017, that the measurement opportunity will be around about 2% of that.

For display, so banner ads and so forth, we think the opportunity is less because there's more of that inventory that is a remnant inventory, that is traded in different ways. So we discounted that opportunity. But we think it adds up to a $500 million industry by 2017. And we continue to believe that as the opportunities. So in other words, there is no reason for us today to change that. And if it does change, we will let you know. but that's the opportunity that we see.

So where are we today, well, we're on track. Our digital products and services with OCR as the underpinning are growing very rapidly. We have 18 out of the top 25 advertisers endorsing OCR and this is a really important point. Since Labor Day I've had three chief revenue officers of major digital companies tell me that they're getting lots of RFPs for measurement and there are only asking for OCR. So in other words the publishers are being asked to respond to an RFP as to how their inventory can be best used to meet the needs of that advertiser and the measurement system that they require is OCR. They are not asking for other measures systems. And that's the vital sign we're looking for, are we winning the battle with advertisers and we are not arrogant about it nor are we resting our laurels, but we do think that that is a very important battleground.

And then last but not least, Mitch talked about this on the panel a minute ago which is digital content rating. We think this is a category killer. We think this is a category killer in the content measurement space. So here to for an advertiser has had OCR to demand, a guarantee to demand accountability from a publisher and a publisher hasn't had the mirror image product that enables them to plan and sell, and with the launch of DCR, with the help of Adobe and Facebook and our other partners, we think this is going to be a category killer, again we'll talk a bit more about that and Megan will talk about it.

So that's a bit of a reprise on the digital opportunity.

So let me sum up quickly by talking about -- revisiting the three trends and telling where I think we stand against them. The first one is audience fragmentation is accelerating and we believe fragmentation is our friend. We believe that advertisers and publishers need a simple set of metrics from a single provider. And while everyone loves competition, having one referee on the field is a very important dynamic in a measurement marketplace. Having multiple referees on the field, particularly as the environment gets more and more complicated, leads to suboptimal outcomes. We believe fragmentation is our friend.

We are the only company with 1,000 measurement scientists. We are the only company with the financial muscle, with the global reach and the engineering muscle to answer this challenge.

Secondly, media companies are exploring new business models. This is creating demand. Some of you will have read about our recent exploration into measuring Netflix. This is a direct response to demand from our media companies to better understand the value of the inventory of the content that they put through an SVOD service like Netflix, like Amazon Prime versus the content that they are putting in their ad supported channels. It's a direct result of that. And the same for programmatic, we're seeing more and more demand for our data to be fed in, our audience segments to be fed into precision marketing platforms.

And then the third trend is measurement needs are expanding beyond C3, C7. Please don't be confused C3, C7 is not the only thing we measure. C3, C7 was agreed upon in 2006 and launched in 2007. And one of the things we've done in the last couple of months is put a call to action to the industry and this is the industry and this is the video industry more broadly, the buyers and the sellers to update that metric and we think the right metrics, a total audience for content and total audience for campaigns. And Megan is going to take you through the assets we have in place and the way we're approaching that. Thanks for listening.

Operator

Next up is Megan Clarken, EVP, Global Product leadership, who will walk us through bringing precision and clarity to a complex ecosystem.

Megan Clarken - *Nielsen N.V. - EVP, Global Product Leader*

Good morning, everybody. I have a lot to talk about. I'm going to update you on our efforts for -- our focus areas for 2015. I'm going to bring you up to speed on the progress that we made since we met this time last year. I'm going to talk specifically about the measurement of VOD. I'm going to talk about our Adobe partnership. I'm going to talk about our commitment to measure the total audience. I'm going to talk about our panels. And then if you're all still here, I'm going to talk about programmatic, lots and lots to cover. So I'm going to get -- I'm going to get cracking.

Steve touched on this before but let me spend a little bit more time on this. We introduced you to this grid last year, this time last year, we called it our measurement grid. And basically what it does is it outlines all of the different flavors in which consumers gain access to content, simple as that. Now this grid is about TV and video, actually how they gain access to the content, I should say on the left hand side, there are two different ad models that are used to monetize the advertising space on that content. Now this grid is about TV and video, but we use exactly the same grid when we talk about our strategy, our measurement strategy for audio and text, we just switch up a couple of the obvious icons there.

But let me take you through it. So across the top, the first one there is TV, you watch it through the glass, you turn it on, it's broadcast, there it is. The next one is TV or video content viewed through the TV screen but accessed through an over-the-top device, a connected device, a Roku box, an Apple TV, a gaming console, Blu-ray, et cetera. The next one is TV and video content seen through a PC and a laptop and then through a tablet and then through a smartphone that's across the top.

Down the left hand side are the ad models, the two models that are used. The first one, the linear ad model, that one bar, that's the big broadcast ad model. So you're watching a program and boom, there is the ad, everybody sees the ad at the same time. And the rules that dictate whether or not we can provide measurement in that space is set by the industry to Steve's point and they are that the ad load must be the same, must be the same for a period of up to seven days. Now the reason why that's one line is because for us, when we measure it, if we measure the program, we also measure the ad, so it's one line. As different from the two lines below it, which are about the digital dynamic ad model. Now this kicks in when the ad load has been changed, so ads have been dynamically inserted or in a pure digital world, you're being targeted. So the ad that you're looking at when you see a piece of content is not necessarily the same ad that your neighbor is looking at or saying when they're viewing the same piece of content.

And so in this world, we have to measure the content and the ads separately. And so this grid outlines the measurement challenge for us of a truly cross-platform world and our mission is to measure every single cell in the gird.

The first three cells are the C3 TV ratings as they are today. And so when we met this time last year, they were already ticked, they were already done. Also ticked was the cell that represents OCR, the measurement of the ads viewed through PCs and through laptops. Now, OCR has been in the marketplace for about three years now. And today, it's the measurement of choice for 18 of the top 25 advertisers in the US. And so when we came into this session this time last year, the grid looked like that. And our commitment was that we would work on the six boxes on the right hand side, which represent our mobile program. So I'm going to bring you up to speed on our progress there.

July 1, we launched mobile OCR. In the first week of going live for that product, we had over 100 clients sign up. And today mobile OCR is the only measurement of advertising seen through mobile devices. September 29, we opened for business, our product mobile TV ratings and today, we work hard with all of the MVPDs and all of the top broadcasters to embed and install that software, the STK that we talked about last time right into their video players and we're still progressing through that work with them. Earlier this year, we launched digital program ratings which is a measurement of TV originated content viewed through a PC or a laptop and that came out earlier this year and we're just a sneeze away from having that available across mobile devices as well. It requires the same STK installation. And so, in completing that that finishes my mobile program.

So where does that leave us with, well it leaves us with this area here, which is a measurement of digital dynamic VOD, so I'm going to talk to you about how we're going to do that. I'm also going to talk to you about our relationship with Adobe and how it serves to enhance what we do across that middle layer, the digital content ratings. And then I'm going to bring all of it together and I'm going to talk to you about our commitment to measure the total audience. Let's get going.

I want to start with VOD. Now for us, our mission is to measure every single cell in this grid. That's the count, that's the census count. The second piece of information it sends us, it identifies the content and it does that either by seeing the watermark, it's able to read the watermark if it's TV originated and if it's not, it looks for what's called metadata. It's a little script that the publishers embed into the video stream to identify the content, so it picks that up. The third piece of data it collects is let's call it identifies the device and what's the content being consumed through. So if it's being consumed through a PC or a laptop, it drops a cookie and sends us a cookie ID. If it's coming from a mobile device, it can't drop a cookie, so what it does, it scrapes through the operating system of the iOS and Android device and it picks up what's called a device ID. It's a little number that sits in that operating system, unique to that tablet, sends that to us.

What we do with those IDs is, we encrypt them, we aggregate them and we send them across to our big data providers and they are Experian and Facebook. Experian and Facebook know our cookie IDs, they also know those device IDs, they've already matched them to their registration data base. So they simply match them for us. Experian append four demographic profiles onto those device IDs. Facebook append two, and these ones are incredibly important, they're age and gender. And age and gender, as you know, is the base of the GRP, of the rating service. Reach and frequency by age and gender.

What we love about the Facebook dataset is, their panel in the US is the biggest digital panel we've ever seen in the world and it's of the highest quality, highest quality, it's about 180 million people here in the US. So that is an asset that is incredibly, incredibly helpful to us.

So they append age and gender, they crypt it and code it, they send it back to us. But Facebook content all that match, so they don't have kids, so there are some device IDs that they can't say. And so we rely on the panel to finish that, to close any gaps, the goal standard panel, the same TV panel. And so the panel has to be representative to do that. It has to be representative because of the panel is not, if it's skewed towards men, it's skewed towards women, skewed towards age brackets, skewed away from kids, it's not going to do the job of filling in those gaps or worst, it will do it wrong, and the data will be wrong. So the panel has to be representative.

The last thing that the SDK does is it's able to identify whether or not it's linear ratings. So if it's C3 eligible or not and if it is, it credits the linear ratings, the C3 ratings and if it's not, it credits the digital ratings, overnight ratings, digital content ratings and OCR and that's the way the architecture works. We went through this last year.

Now in adding VOD, adding VOD, we're not going to grab data from some other source, we're going to add it, we're going to get it out of this infrastructure, this architecture and here's how we're going to do it. Now this is both for AVOD, advertiser supported VOD were ads are being dynamically inserted and it's also for SVOD, subscription VOD like Netflix. The tricky thing about that environment is that for the most part those distributors are stripping off their watermarks. So it makes it virtually impossible and incredibly hard for us to find the content being consumed and to measure it.

And so we're going to use both approaches, we're going to use the panel and we're going to use a digital approaching and we're going to bring them together and reconcile them in the end. I'm going to talk about the panel approach first.

The first thing that the panel has to do or at least the meters inside the panel is it has to try and identify the content to see the content and the source, identify the source and it's going to do that through a process of elimination. The first thing it's going to do is it's going to look for the watermark and if it sees that, bingo, we've got everything we need, we're in good shape. If it doesn't see the watermark, it's going to look for what we call an audio signature. An audio signature exists when we've sent the program we've been sent an audio for and we create what we call an audio signature and the meters are able to detect that and when they are, they send to us to tell us what was viewed. What they can't tell us is the source. So they can say that a program was viewed, but they don't know whether it's come out of Netflix, Hulu, Amazon Prime.

To do that, to pick that up and to sweep through and pick up any other content that we haven't sent that hasn't been watermarked or doesn't have an audio signature, we've invented a piece of hardware. I'm going to show it to you now.

It looks like this. So the people in the back of the room, I could be holding up anything. It looks like that. Plugs into the back of the meter like that. It actually plugs in -- this is the meter that sits inside the homes, the Nielsen family homes. And this little beast plugs into the back of here, [this thing sit up]. They tell you never to put props on stage because this sort of thing always happens. But it plugs basically in the back of here and I can't plug it in, but it does. I've done it a million times and it plugs into the back of it. So plugs into the back of the meter and it connects to the Wi-Fi in the home, connects to the Wi-Fi in the home. And what it's looking for is IP packets associated with video content, video streaming. It collects those packets. Inside those packets is IDs, identifies the strength and knows what was viewed and it identifies a source, it knows exactly where it's come from. So it takes all of that data and sends all of that data to us. So we've got data now from three different areas.

Back at the mothership, we reconcile that data, we take out any duplication and because this has come from the panel we already have demos, so we project that and there is the ratings, just like that.

The second way that we are doing it, a supplementary way and one that we actually like better, but it requires participation. So for every distributor prepared to participate for measurement, we simply embed the SDK and it runs through this architecture that I just outlined and produces the ratings and that is how we're going to solve for VOD on top of the current platform, apples to apples measurement.

We love this architecture. We love it. It's a stroke of genius, it's robust, it's scalable, it's future proof, but every cynic in the room is going to look for the flaw, there is got to be something, there's got to be a mousetrap in here and I'm always doing that. And I'm going to put you out of your misery

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and I'm going to show you where there is a flaw, a potential flaw. And then I'm going to show you how we have got rid of it and how we've closed that completely, cemented it over and in doing that have increased the value proposition for this entire structure. It exists up here, and here's what happens. It's about collection of data. You see in a panel environment we're in control. We simply put the meters in the home and the meters do all the collection work.

In a digital environment, we are relying on the participation of the publishers and broadcasters to embed that software, those SDKs, those tags, and that's tough. It's certainly not insurmountable, it's a big job and it takes some time. But let me tell you about how we've completely gotten around that and in the same process have cemented this infrastructure and added considerable value to it and that comes through our relationship with Adobe.

No why Adobe. Many of you will remember back in 2009, Adobe acquired the world's largest web analytics company called Omniture, and that's now called Adobe Analytics and what that does is it provides powerful tools to the publishers and the broadcasters that enable them to understand the behavior of visitors to their websites and videos, so behavior like visits, return visits, navigation and things like that. The process or the thing that Adobe uses to collect that data is SDKs and tags, the exact same system that we use to collect that data.

So what our relationship does is allow us to piggyback off their software that is already out there, and by the way, it's out there across 75% of the Internet today, has already coated up with Adobe software and tags. We piggyback off of that, we collect the data that we need, we run it through the DCR architecture and we produce digital content ratings, market ratings for mutual Adobe and Nielsen clients just like that. Adobe is also embedding out SDK right into the operating system of Adobe Prime, a premier video player in the world today right into the operating system.

We tell you about some of the huge benefits. There are many benefits to this relationship, and I am going to call out a few. One is this, no more separate software installs for mutual Nielsen and Adobe clients, no more, done. Number 2, instant penetration and usage of digital content ratings, DCF in Nielsen. Number 3, a huge differentiator for Adobe. For Adobe Analytics and Adobe Primetime, this adds considerable value to that portfolio for them. This is unprecedented data alignment, so no longer do publishers and broadcasters have to sit and look at their internal data and try and reconcile it with their market ratings. They get clear line of sight across all their numbers, content and ads, all of those numbers tie up. This relationship is going to bring seamless and consistent measurement ecosystem to the industry and we love it, we love it, it's incredible and powerful.

So as we close this grid, we're going to take the ratings and represent them in a more relevant way and we're calling that total audience. It comes in two flavors, total audience for programmers, that simply takes the program ratings from the TV numbers, combines them with the digital content ratings and produces a total story for publishers and broadcasters. Now they can then tell a complete story about the usage of their content anywhere anytime across all devices and both ad models and they no longer are restricted by the current C3/C7 rules and limitations. And all of the broadcasters and publishers that we've spoken to are in love with this.

The second lens, total audience for advertisers. This simply takes the C3 ratings and combines it with the OCR ratings and provides an end to end holistic accountability metric for advertisers, all platforms, all devices, all ad models. We're going to then work with the industry to move them away from a C3/C7 ratings as a trading metrics towards total audience, a new and more relevant rating service, an apples to apples cross platform ratings service, and we're excited about this opportunity.

Before I leave, I want to say one more thing about the grid, and then I'm going to shut up with that. But I want to talk about the thing that holds the grid together, the thing that makes this that holds -- judge and jury of every single number in this grid and it is our panel -- it's our panel. The job of the panel is so important. One of the things that panel does on the grid is it enables us to de-duplicate the audiences, which gives us data to give to our clients which helps them understand incremental reach across those cells, between the cells, between the ad models and this is important to publishers and broadcasters to give some insight into their content strategies and for advertisers, it allows them to understand where to place those ad dollars to get the best return on the investment and that's what the panel does.

The other thing that the panel does is what I said before, has to fill in the gaps where the big data providers aren't unable to tell us, who is actually sitting on the other side of that machine. And to do that the panel has to be representative. It has to be representative of a digital population, it has to know what happens inside of households in the US in terms of their digital usage.

So here's what we're doing with the panel. Today, as you know, the panel is 22,000 households and half of those households have already metered out for their PCs and laptops. We're going to continue to meter them up until we have all 22,000 households metered up for their laptops and their PCs. This year we are metering up 15,000 homes with their mobile devices. This panel will be the first ever multi-screen sample single source panel underpinning any video rating service anywhere in the world and that's big. That's huge, that's what enables us to do exactly what we do.

A lot of people talk to us about the usage of return path data or set-top box data, and Brian spoke about this before. I'm going to touch on it again. Firstly, we like return path data, we like it because it adds -- it gives us coverage. So for our local markets, for small and long-term markets, it gives us coverage where the panels find it difficult to say. It also stabilizes the ratings in those long-term markets. We like it.

Can we measure those long-term markets just with it, no, we need the panels, can we measure the long-term markets with the panels? Yes. But we would love to connect the return path data to make it even better. Here is the challenge for us in terms of making that happen. Return past data is not census, it's a sample and so like any sample, it's not representative, it doesn't have demos, it doesn't account for old programming or ads, and so it falls on the panel to do that job to make it representative, to give it demos.

Now the panel can do that. As Brian said, that's the panel's job to do, but in our world, we have to make sure that the panel can do that so that we can produce overnight ratings. All of the systems that have to work to be able to do that in a way that we can construct those ratings and still produce overnight ratings, must happen for us. And so we like it. And we're working on it, but we're taking a very calculated and scientific approach to the way that we introduce it into our business and stay tuned for more information in that area.

I want to talk now about the world of programmatics. We get asked a lot about that as well. Let's start by defining what programmatic is. So let's make it simple, programmatic is the buying and delivery of ads using algorithms and machines; simple as that. What a lot of people don't realize is that today we are feeding about 3,000 Nielsen segments into that process today into the buying and optimization process.

OCR is also sitting on the other side of that process, measuring accountability, age, gender for those buys, those programmatic buys and we're doing all of this with very important clients in the space, Simulmedia, Specific Media, AppNexus, Adap.tv, Videology, Google and others. Why is OCR important in this space. Here is why, because our data, our OCR data tells us that even the broadest target, males, females, you're only ever hitting it about 59% of the time.

So if you're trying to target just men, you're only actually getting to that target about 59% of the time. So as that target becomes more and more and more granular, your ability to hit that target becomes even more compromised. And so the role of the referee at the table is paramount. Every dollar spent needs accountability, and when machines and algorithms are spending that money using data sources from all over the place, the role of the referee, the role of OCR on that world, is critical, is critical. Now we love this opportunity because what it means for us is that we're going to continue to add demos, demo breaks to OCR and even behavioral data to OCR to continue to play that critical role in a programmatic world.

So let me close. 2015 and the years to follow will see unprecedented change in our space. There's no doubt. The foundation that we've laid down and our attention to that change is second to none. This requires focus and it requires delivery and we're delivering against every single thing we said we would do, every single thing and we're going to keep up that momentum. We have clear line of sight into what the industry needs and we've put in place all of the building blocks to respond to that. We're servicing both the buy side and the sell side of the equation and giving the measurement and the tools to them to support the currency.

And finally, this business is performing really well for us, really well and it's going to continue to perform well, and here is why, because it's hot and if you lift the hood, it's actually bloody hot, but somebody has to do it. And you want to hope that the person that's doing it knows exactly how to do it and that's us. Thanks a lot.

Kate Vanek - *Nielsen N.V. - SVP, IR*

From here, we'll begin our second Q&A session. Oh I'm sorry, before we begin, actually I wanted to give Mitch the opportunity of -- two new faces up on the panel, Mitch is going to give a little introduction.

Mitch Barns - *Nielsen N.V. - CEO*

Yeah, you've seen four that's already up on stage this morning, so I won't introduce everybody. But two new faces, Pat McDonough and Marie Gutgesell. Let me just briefly say a little bit about who they are. First Marie is our Chief Technology Officer for the Watch segment of our business. She's from Tampa. So she really loves this weather here in New York today. That's great. And then Pat McDonough, Pat, is somebody who's been at Nielsen, can I say Pat?, for more than 40 years and so earlier when I talked about that history of audience measurement, broadcast, TV, then cable, Pat's seen it all. In fact Pat has seen so much in the business. She remembers almost everything probably remembers it all and she's just an incredible rich resource. So hopefully one of you'll find good question that we will be able to hear from Pat so here we go.

Pat McDonough - *Nielsen N.V. - SVP*

Great. Thank you. We will start with Tim.

Tim Nollen - *Macquarie - Analyst*

Thanks. Is this working okay? This sounds good. It's Tim Nollen from Macquarie. I have two related questions. First is, I feel like I ask this all the time to you and to your customers, but there's been a lot of recognition of the ratings issues for TV being so difficult now, it seems like you very much have the answers at hand. Could you describe what the discussions are, what is going on, how you can get the industry to change and adopt these newer broader standards? And then secondly, maybe it's greedy but you've already hit 5.5% to 6.0% growth in your Watch division, maybe could you talk about assuming this all does work out for you [when you gain] contracts, what is your P&L for these broader ratings look like and why in fact wouldn't your Watch division growth be even higher? Thanks.

Mitch Barns - *Nielsen N.V. - CEO*

Well, I'll start and then Megan I'll ask you to comment to add some color, because you were the one that authored paper that was published. And first on the ratings declines, I think we've been very clear and I think a number of other people have also spoken very clearly on this. In particular, since August of this year, the shift to viewers over to subscription video on-demand, it seems to be all the evidence in the world that that's having a big impact on the broadcast and cable, the cable traditional TV ratings. So it seems to be a very high level of confidence, certainly on our part and other people's part, that's a big factor. Megan your paper in terms of what we need the industry to do, to come around and open up, changing the definition of C3/C7, why don't you add to that?

Megan Clarken - *Nielsen N.V. - EVP, Global Product Leader*

Yes. It's some -- I mean the thing that's really interesting is, the industry has responded incredibly positively to the story. And it makes sense. They're limited by what is in the ratings. This is what we could actually give them, so they're saying bring it on. We want to see these numbers, we want to be able to tell the total story and we want to help you in getting there. And so that is an incredibly powerful starting point for us.

There is work to do in terms of closing the grip but we're so close to doing that. We have two boxes left and then to finalize the mobile programs and the rest of it is just how do they want to see it reported, how do they want to see those numbers come together to make them useful in their everyday business workflow and I can tell you, I've had in the last two weeks half a dozen of the biggest clients in the country come up to us and say we want to be part of that conversation and we want to help you structure that and pull together the specs to put this together and that's incredibly encouraging and when that's happening you know that the industry is moving with you, they want this to happen. And there, we are going to do it together, which is really encouraging sign.

Mitch Barns - *Nielsen N.V. - CEO*

And on acceleration of our growth rate. Don't forget, we used to talk about 4% to 5% for this part of the business, now we're saying number higher than that. So in some sense, the acceleration has already happened and don't forget this business also has many different parts. And starting next year 2015, it will have local television and audio included in it as well and so you got to put all those things together.

Bill Bird - *FBR - Analyst*

Good morning, Bill Bird from FBR. I was just wondering if you could give us a little bit more kind of insight on how you see the commercial opportunity set around rating Netflix and then separately maybe talk a little bit about just the Adobe relationship and whether you think that relationship can tip more the market in your favor and how you see it developing?

Mitch Barns - *Nielsen N.V. - CEO*

Steve, you want to take that?

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

Yeah. So as I mentioned in my remarks, we've seen demand from the TV networks who earn some of the programming that's been licensed through to Netflix. We're seeing demand from them to better understand what is driving behavior on Netflix. So in other words, as they think about around two or around three of those licensing deals, they want to understand the value of an audience minute on Netflix versus an audience minute on ad supported TV or ad supported video wherever it might run. So that is a big question for them. Now, not all of them are asking that question. Some believe that they've got those deals in place that those deals are priced just right, they don't need help, but the majority are asking those kinds of questions. That does provide an opportunity for us because we are providing more value and more insights. I wouldn't hazard a guess as to how big that opportunity will be because the products that we've got out there at the moment is specific to those networks that want the data, rather than an old market, old viewing kind of look.

Jeff Meuler - *Baird - Analyst*

Yes, Jeff Meuler from Baird. Steve could you maybe break out this disgusting video usage chart a little differently and talk about ad supported versus non-ad supported and then within ad supported segment, are the ads actually being viewed or is that still going down?

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

Yes, so we -- and I'll ask Pat to answer this. She has looked at this data in great depth. We have seen a growth in SVOD, right? We're at a point where Netflix and now Amazon Prime becoming mainstream product offerings and particularly through the summer, we saw usage of those services tick up, right? Consumers are saying, okay, I am going to watch a re-run or potentially an original program but often a re-run on Netflix or I am going to watch it on for example cable TV.

And we sold more usage of -- or an uptick in usage of Netflix and that typically settles down a bit through the fall season as the new programs come out, but we did see that. So there was a growth in the amount of time and attention around subscription supported services. We do think that that has put pressure on the ad supported side of things. The question is to how that plays out? I think is a very important one. I do think that the owners of the best content in [bi-market] TV networks are asking these questions and are going to get significantly more sophisticated about the way they think about that window. And we'll see that I think over the next season or two. Anything to add to that?

Pat McDonough - *Nielsen N.V. - SVP*

Sure. I mean one of the surprising stuff to us when we looked at it and try to parse it out is that ad supported TV or video, I should say is relatively flat, what may be happening is the growth in that ad supported piece has leveled off, but it really hasn't fallen off as much as Netflix has grown because some of Netflix growth is coming from kind of non-ad supported video, public television, the pay networks, et cetera. So --

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Bill Warmington - *Wells Fargo - Analyst*

So a question for you on the investment required for the new digital products and how much you're able to leverage the existing OCR platform and the implications for the Watch margins going forward?

Mitch Barns - *Nielsen N.V. - CEO*

I'll start and Steve, Megan can chime in. Brian maybe you as well. Look every year we invest back in our business. You know that's a core part. Jamere says it all the time that when we produce earnings for our business, first thing we do is we invest back in growth and then we go through our capital allocation framework, and so most of what we're talking about and Megan walk you through in terms of how we're going to cover these total audience, will fall right within the normal investment that we'd have in our business. So that's the right way to think about that. Do you want to add?

Brian West - *Nielsen N.V. - COO*

Yes, I totally agree that as Megan is so proudly describes that architecture, it was always originally built a scale just this kind of experience, and it does and it was built with OCR in mind, but much more in mind. So as Mitch said, it will fit right within our investment priorities and the good news is that it's been built and now it's kind of go scale it.

Mitch Barns - *Nielsen N.V. - CEO*

And just like I mentioned back in response to the question Sara asked, OCR is a product, but it is also an architecture and a capability. We continue to leverage it across more and more parts of our business. It really is driving a lot of value in multiple ways back into our business.

Kate Vanek - *Nielsen N.V. - SVP, IR*

We'll go here and then I ask (inaudible) Andrew.

Unidentified Audience Member

Good morning. two quick questions, (inaudible) capital. First of all, in this new total video measurement schematic is on-demand content provided by the service provider that's not viewed on a connected device captured in any other way or supplemented other than through the meters and the second question is longer-term, as you see more automation and programmatic buying going to the system, does the concept of GRP become less relevant as inventory can be bought on an option for whatever characteristic the buyer or the seller wants to price or acquire that inventory?

Mitch Barns - *Nielsen N.V. - CEO*

I will ask Pat to take the first one and Megan I want you to take the second one.

Pat McDonough - *Nielsen N.V. - SVP*

The first comment is what Megan talked about as the work that we're really doing this year to add in that last piece, because we know that there is a growing authentication of people getting there, digital or cable provider video on their other devices and that will be the piece that is added in through the SDKs and other means this year and we measured in both through the panel and also you know more comprehensively across the universe. So it's right there.

Megan Clarken - *Nielsen N.V. - EVP, Global Product Leader*

Yes, so the measurement of the on-demand services the panel will catch it, it's hugely fragmented so ideally, it's also the digital and it falls into the digital sweet spot. It needs participation, so it needs those distributors to embed those SDKs and to play the part, wanting to be measured and we continue to work with the industry to get the distributors to participate and be measured and therefore have the software installed in order for us to measure it from a digital perspective outside of the panel environment and that work is still in progress, important work.

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

And you asked about the GRP, look I think we do think about it in terms of [each resident's] reaction rather than the specific GRP. As Megan said, GRP is age and gender reach and frequency. To the extent that the marketplace moves to outcomes, which is reaction and away from gross rating points, I will make a couple of points. Firstly, we have a set of products in that space and secondly and maybe most importantly, it is hard to get to outcomes without a great reach dataset. So you've got to start with who saw an ad before you can understand what was the reaction to that ad, what was the impact to that ad. So a long way of saying, no matter which way the industry moves on that scale, we're confident that our data will continue to be one of the standard, if not the standard input to that ecosystem.

Mitch Barns - *Nielsen N.V. - CEO*

Yes think of it is adding to the GRP, so we sometimes refer to it internally as demos plus. The GRP will still be underlying but you may have other characteristics, on which you will trade in the marketplace going forward. And I think that would be positive, be positive for us and Nielsen be positive for the marketplace in general.

One of the things we hear a lot is people saying, well hold on, if a media company can come forth and say someone saw my ad and they went and purchased the product, what's the value of Nielsen's measurement in that? Surely that world is a closed loop. It's a little bit like search and there is no need for independent third party measurement. Here is the problem with that argument. There is almost no example where you for example went and bought more Coca Cola, purely as a result of the Coke ad that you saw on Monday night football. You may have bought more Coca Cola and the loyalty card data will prove that, but what were the impulses to drive you to do that? You saw three Coke ads, you saw three on TV, you saw three billboards. You may or may not have got some direct mail from your local supermarket. You may or may not have seen some banner ads and some digital video, you need to be able to pause through all of those sources to identify what was the driver of the Coke ad, and no individual media company can do that. So this idea that the loop is going to be closed and that people are going to earn that entire space is misleading. Advertisers still want the independent third party measurement analytics to understand what was the audience that saw their ad on any particular platform and what was the impact of that.

Kate Vanek - *Nielsen N.V. - SVP, IR*

Great now last question for this session, Andrew Steinerman.

Andrew Steinerman - *JPMorgan - Analyst*

Steve I am going to ask you a very similar question. So, first party data, we hear a lot about that. I kind of, correct me if I am wrong, think about first party data as your clients data, what's Nielsen's role in kind of owning and analyzing first party data in conjecture with your third-party data and is Nielson acting as a currency then in that situation?

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

Yes, Andrew so others are weighing here. I'd start by saying we were the first player to take a first-party dataset, I'm using the Facebook registration dataset, and embed that in a currency quality product that got MRC accreditation. Nobody else has done that to my knowledge anywhere else in the world, certainly not at that scale and giving the advertising ability to demand accountability and the publisher confidence to offer guarantees. So that was the first thing we did.

The second thing we've been doing for a couple of years is working with another first-party data source, which is return path data from the cable and satellite companies. And we've done lots of testing. Pat's been involved in that, Paul Donato, Head of Research has been leading that effort.

And we think we're in a position where we can use that data, but to the points made by Brian and Megan, it needs calibration through the panel. I do think that -- to the sort of where your question may lead, as these players look for ways in which to use their data to fuel their own advertising systems potentially to monetize that data, coming to the plan, it is A, the currency today, B, is moving across all of the platforms, not behold into one particular platform, and C, has an impeccable record on privacy is an attractive proposition to them. And that's not to say that every single player want to provide their data to us but I am confident that we are in a good position to be able to use the highest quality datasets in ways that others can't.

Mitch Barns - *Nielsen N.V. - CEO*

Quality and comparability will come from the panel. And these first-party datasets will provide lots of data and they will add a lot of value, but don't forget it always has to come back to quality and the ability to compare across all these environments. And it's very hard to do it without the panel. Panel is really essential.

Kate Vanek - *Nielsen N.V. - SVP, IR*

Great. Thank you. We'll move on with our day. Next up, Steve Hasker will be hosting a panel with some of our key industry partners who we are so pleased could join us today, David Fischer, VP Business and Marketing Partnerships at Facebook, Jeremy Helfand, VP of Adobe Primetime at Adobe, Dave Morgan, CEO of Simulmedia and Howard Shimmel, Chief Research Officer, Turner Broadcasting System.

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

This is a very exciting part. I suspect given the cast of characters that we have in the room that the executives on the stage with me are very well known to everyone but I just want to make a couple of points by the way of introduction. I think what we have here is a tremendous representation of the video landscape and the media landscape. So, immediately to my right is David Fischer, who leads the revenue-generating activities of arguably the world's most important digital media company. To his right, Jeremy who leads probably the most important infrastructure provider in terms of the software, the tags and maybe most importantly the video players across the digital landscape. To his right, we have Dave Morgan who goes without any introduction. He is the Founder and CEO of Simulmedia, probably one of the most successful digital entrepreneurs and he is really revolutionizing programmatic buying, so applying digital techniques to the TV ecosystem. And he's been at this for a couple of years and I think the transformation that Dave has led has been tremendous. And then last but not the least, to Dave's right, is Howard Shimmel. And Howard is the Chief Revenue Officer of one of the world's most important media companies, Turner, the engine room of Time Warner, Chief Research Officer.

So, let me start, I actually going to start with you Howard. Can you talk a little bit about sort of the Turners' perspective on the changes in consumer behavior and how that's playing across your programming and how you think about the research, the measurement and the analytics challenges and opportunities as a result of that?

Howard Shimmel - *Turner Broadcasting Systems - Chief Research Officer*

Yes. Thanks, Steve. So our view and I think you've seen it reflected a couple of times this morning already is that we think the general sector we play in professional video providers, that sector is very healthy. Obviously, the definition of that sector is different now than it was a couple of years ago including video providers, including the SVOD providers, but generally the sector is healthy and when we look at our view of counting total time with video, it looks like it's basically flat year-on-year.

Yes, obviously, when you think about TV as a subset of that, we're dealing with the fact that our audiences are moving away from the standard C3/C7 measurement to places like VOD to DVR beyond seven days to online. And that the audience movement and the amount of audience that is -- that are on other platforms can be very material when (inaudible) we could see upwards of 10%, 15% of our audience being somewhere outside of C3 and we've turned the coin -- we've coined the term leakage to try to count that. Obviously, we're in a world where we need the measurement that's been described today is something we need.

We probably needed it a couple of years ago before things changed as radically as they've changed recently. And we needed to be smarter insights people, we needed to be smarter about the way we have to go over the market when we promote our programs and we needed to [best-class] better ad packages for our advertiser partners.

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

So let me change a little bit and ask a question to you David. You guys at Facebook made a decision back in 2010-2011, which was a real revolution in Silicon Valley and amongst the digital players, which was to embrace independent third party measurement. So can you talk a little bit about what led you to that and what are some of the component parts of that, what impact it's having on the business, where you see the future of that sort of -- that decision and the subsequent moves that you have made?

Howard Shimmel - *Turner Broadcasting Systems - Chief Research Officer*

Sure. This is a critical point for us. And I really can't emphasize that. I know how important the decision that we made a number of years back. If you think about, this was true in TV in its infancy and what happened in the online sector was lots of publishers were trying to measure ourselves, measure themselves, it's a little bit like each of us creating our own homework. It's not going to work out that well, and most importantly it's not going to be credible.

So from our standpoint, we wanted to ensure that they were systems in place and ultimately a standard in place that was going to be one that we could all trust that was going to be independent. Those were the two that had to be the case, and then, ideally would be comparable across other forms of media, across devices, just in digital is hard enough today if you think about what's going on with mobile and the challenges that presents for cookies and if we maybe can get into that a little bit later, but certainly the comparability to TV and in particular in other forms of media and so that was what caused us to turn to Nielsen and with the consortium of others and we've been really happy with the OCR now, DCR coming along and (inaudible) on the stage here, the opportunity, so that independent third party is so important for the credibility because when we get that right, all of us will have more frankly, more credibility when with what we are out there selling and that's our core business and we need that to get it right.

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

And Dave what about this sort of discussion that you've had internally and I think sort of representing the industry around measuring people rather than cookies or some other approximation?

David Fischer - *Facebook - VP*

Yes. This whole notion of people not pixels. The challenge we've had in our industry is that the cookie based system was the best system a decade, a decade and a half ago, and it was the right way to measure at a time when most of us had probably one device and maybe used one browser and we weren't really consuming media on our mobile devices, it wasn't possible, we didn't have the technology.

All you have to do today, you can look at the slides with the aggregate data and see just the explosion of digital media consumption explosion particular of mobile or you can just stand in the back of a room like this for a little while and just watch what people are doing and juggling multiple devices and consuming media, taking notes, doing a variety of things and realize that the challenges are one, how to track it and two, how to account for this behavior that's no longer really linear single device, single browser and so one of the things that's been really important about, and it's a huge advantage for Facebook in the notion that we can -- we think about we are an ecosystem that is built around people and everything that happens on Facebook starts with real identity and we believe we have the best real identity there is out there in the industry. So that ability to measure real people and focus on real people, real consumption, ultimately real results we think is really critical to establishing a standard and that's been a key part of the partnership that we formed with Nielsen.

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

Thanks Dave. Jeremy, let me turn to you and on this theme of days of partnership, we at Nielsen have talked a lot about digital content ratings. We've talked a lot about our partnership with Adobe with great pride. I think we had a chance to explain to many people in the room that partnership and what it means, but my guess [it bears] repeating. So I'd love to hear from Adobe's point of view and from your point of view why do this -- what's in it for Adobe, where do you see this leading, what are the benefits?

Jeremy Helfand - *Adobe - VP of Adobe Primetime*

Sure. Thanks, Steve. We at Adobe have a long heritage of helping industry through digital transformation. We did that with our creative tools for content authoring, we did that with our digital publishing suite in publishing and most recently, we've been doing that with Adobe Primetime and helping the television industry on the extent to digital devices and screens.

And for this transformation to take place, our view is, you have to remove key friction points that exist in the industry in order to help facilitate this transformation. And measurement is certainly one of those key friction points and while we have some of the most pervasive technology platforms in market today around measurement of site and audiences with Adobe Analytics and leading digital marketing cloud platform as well as Adobe Primetime, which is used by many of the top media companies to deliver and monetize their television everywhere experiences across digital screens, we saw an opportunity to work closely with Nielsen in order to tie together the concept of measuring sites and audiences with also being able to measure the currency and create the currency then ultimately leads to the monetization the advertising associated with that content delivery.

And our long-term view is that ultimately linear and digital need to come together and that there needs to be a single currency to measure across all platforms, across both linear and digital and clearly with Nielsen's position in linear, we saw an opportunity to leverage our work in digital, in order to help accelerate this. And I think at the end of the day, as -- I think we share a common velocity around independence you know and I think independently being able to help move the industry forward is an exciting opportunity and I think that's what got us most excited about the partnership with Nielsen.

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

We're very excited too. So Dave, let me turn to you, Megan talked a bit about programmatic, as I mentioned in the intro, you're leading that space, Simulmedia I think have created a very interesting position and everyone else is in many ways falling. How do you see independent third party measurement playing into a programmatic world? Why think about Nielsen? Why have conversations with Nielsen? Couldn't you be (inaudible) doing your own thing?

David Fischer - *Facebook - VP*

Yes. I mean coming from the digital side of the business, we actually expected, I think coming in that it was going to be a total server-based, impression-based world, but we are building digital -- we've a digital marketplace for people in TV advertising, and it became very clear in the beginning that if you didn't anchored in the Nielsen rating, it doesn't count and it didn't happen, and I think for good reasons and so we started our partnership I think more than five years ago, and integrating massive amounts of set-top box and return path data with Nielsen data, and it was good for a lot of reasons.

I mean if you don't have demographics, you can't talk a language that marketers and agencies understand.

Also you can't really leverage a lot of other datasets that you would like to, I mean actually it's some of the questions that people have asked earlier. We're sort of the poster child in it. We're selling campaigns everyday to marketers, big brand advertisers where we're posting, meaning we're guaranteeing on both a Nielsen rating and Nielsen demo GRP rating or TRP, and also in additional measurement, sometimes closed loop, and actually number of them against Nielsen products, Nielsen buyer insights product, MBI or Nielsen Catalina. We've just finished one of the largest beta companies last week. In our post, our guarantee was the amount of MBI we reached. And so we're also using first-party data sometimes in adding shopper cards, but that's always an incremental sort of promise. And so, I come back to you. If you can't embrace it, we're trying to embrace and extend the core measurements. You really can't participate in the market, because there's no comparability of trust.

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

Now Howard, Turner is really sort of pioneered cross platform in many ways, but in terms of your proposition to your audiences, but also in terms of your research and analytics with all screen and so forth, can you just talk a little bit about that initiatives and what you guys have done? Because I think it does lead the industry in many ways and also how Nielsen plays in that?

Howard Shimmel - *Turner Broadcasting Systems - Chief Research Officer*

Yes, thanks Steve. So obviously, if you think about brands like CNN, brands like NBA.com, Bleacher Report, the need to be able to present to advertisers, the true reach across platform has been something we've had to provide for many years. So we've built two analytic products with Nielsen which are right now custom products and we're hoping the total audience will become syndicated datasets opened to any agency or advertiser who is evaluating us. One of those products is called CNN All Screen, and what CNN All Screen does is, it integrates Nielsen TV data with out-of-home TV measurement from Nielsen audio with our own internal server data for PC and mobile. And what that allows us to do is two really, really important things. The first is, we believe that we have not gotten credit for a pretty significant audience. Sure some of you sit in your offices everyday and watch CNN Live TV and you're exposed to advertising, and in a world where we transact based on in-home movie, we've got no credit for those -- for those impressions. So that's allowed us to go back to agencies and say, guess what, our CNN post is actually 30% higher than what Nielsen in-home reflects when you include what All Screen provides us.

The other part of this is just being able to again talk about the total view of the platform, including video long form, short form and when you look at Nielsen in-home TV data, CNN reaches about 70 million adults in a month. When you include all the other platforms, including out-of-home TV in mobile and digital, that grows to 121 million. So if you think about sort of the advertiser agency view of the size of the platform or the size of the brand, it's much bigger when you include all these other platforms. We've done a similar analysis with March Madness and seen similar information.

So we've built this as a custom product because we need to show the market, but obviously it becoming a syndicated dataset, not a custom Turner dataset is what we need.

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

Okay. We've talked -- I'm going to open it up to questions now. We've talked the last few minutes about the value of independence, the value of going across all screens, and being truly cross platform, and the value of having Nielsen data in various systems, particularly the most innovative, but I'd love to open it up and have you ask these guys any questions.

Dan Salmon - *BMO Capital Markets - Analyst*

Hi guys. Dan Salmon from BMO. My question was mostly for Steve and David. Steve, you talked a lot about the opening as you and Megan walked through the architecture, the use of SDKs, the use of cookies, the meters, the new audio recognition, also deploring into the panel as this calibration unit to reset big datasets. David, your company, we've seen since Advertising Week and the re-launch of Atlas' big theme of people-based marketing. And I recognize Atlas is not a replacement for outside measurement of most sites of advertising, but the linkage between the two companies as we saw in the architectures that pulling in of agent gender, that's not exactly right to people-based marketing. So I wonder, are there privacy hurdles to sort of uniting that philosophy which your company [sees as] one of the most important digital media companies out there. How I guess Steve, can you pull in that idea of people-based marketing that we're hearing from Facebook more frequently?

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

Do you want to start?

David Fischer - *Facebook - VP*

Yes, let me start and thanks for the question. The -- so you're right that we re-launched Atlas, which is both an ad serving and a measurement platform a few months ago. And the reason we bought in the first place was because we saw serious flaws in the space both in a world in which it was very pixel cookie based and not people based. A couple of things that I just want to add to sort of point to the problem, then we can talk about the solution and where we go with it.

I think this (inaudible) stage earlier, but Nielsen data have shown us that in today's world, less than 60% of ads are actually accurately targeted in terms of demographics. One of the things we discovered with our thesis (inaudible) we discovered looking at Atlas data using cookie-based approach, overstates reach by about 26% in the campaigns we looked at in aggregate and understated actual conversions by little over 20%.

So you kind of -- you're having an accuracy in all directions in this and what it basically is doing is just adding a lot of inefficiency and going back to the talk about the lack -- when you don't have a standard, there's no trust and so the real need for that. Now we started with age and gender, because that's a good place to start, that brings us the comparability that we've talked about. It's not -- I would say there's certainly interest in what we might do next, their privacy implications as you suggested in your question. So this is not -- these things are never treated as simple or trivial, you have to really go through all of the hoops and make sure we do this right, but we would be excited to take that notion of addressability and measurement that what we've done so far and continue to extend it, both through this type of partnership as well as through platforms like Atlas.

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

Yes, I mean just building on that, I think our aspiration is to have our data be used in every occasion by the buyers and sellers whenever it can be and to make it as sort of available as possible. And if that means being able to provide data in real time through Atlas, we'd love to be able to do that. As David said, the trip wire for Facebook and the trip wire for us, that no other company will approach is around privacy.

So we're always going to be highly respectful of our panelist privacy and of the Facebook users' privacy. But we will innovate as much as we can around that. I think the challenge that David's team face and my team faces, that there's just too much on sort of product roadmap the things we'd like to work together. And we're looking forward to having the same problem with Jeremy and the same problem with Dave as they think about their work. Howard is in a different position, slightly different position in many ways, but this is -- I think it's exemplary of the partnerships that we need to forge and where we need to go. Next question.

Unidentified Audience Member

Okay, so for the Daves. So, Dave, Facebook. I'm really interested as kind of an early adopter of independent third-party measurement, do you think that the Internet space is actually going to get there in the next four years? My fear is to have a single Internet measurement, because I do see a lot of server-based protective, wanting to measure their own impression. So I'm really interested in your view of timing of when the world might get to where the linear world is as a single measurement dataset and then Dave Simulmedia, I'm really interested from you in learning more about programmatic, what kind of inventory are you seeing, is it really automation, coming to the television inventory or is it actually how much is coming to automated buy and how rapidly and from what sources are you seeing so far?

David Fischer - *Facebook - VP*

So I'll take the first part of the question. I mean, what I would say, and I'm not going to, it's very hard to predict these things precisely in any sort of way, but Steve talked early on stage I think others have talked about, we certainly see OCR gaining momentum. We think the DCR and some of the, for example, the partnership with Adobe is helping not just because it's bringing more comparability, it's bringing more usages of the data and more opportunities for cross platform measurement, so we see good momentum with it.

I think what's critical to us is that there is that independent that there is independent third-party measurement, ideally a single standard, but there is a variety of ways that you can get there. I don't know precisely how we get there but I would say we are making good progress in the way that we see that just in terms of confidence from our clients, from our advertisers, and how do they feel about the measurement and do they have confidence in it and I think we're -- if I was going to measure on that is, we're doing a heck of a lot better and people have a lot of trust in the systems. And I think that will increase in time both as the systems get better and as therefore they get more adopted.

Dave Morgan - *Simulmedia - CEO*

And maybe I can add just another data point around that question. When we announced the partnership little bit of insight (inaudible) we put the press release together to announce the partnerships in the market, we're looking for couple of participants from the industry in order to support what we're doing. Harris company obviously being one of them. If you go back to that press release, there are seven companies listed in that press release.

And since announcing the partnership, we've seen a tremendous leaning forward from major media companies saying we want to understand this more, help us to understand what people do and the other is the degree of people based ads not unlike Facebook's approach to sort of audience or targeting ads to people.

The automation part quite frankly is more of a press release in a lot of places. You've got small pools of some local cable operator inventory and maybe a little bit of long-tail cable that's moving that way right now mostly direct response inventory. However, the audience based or the people based side of it is actually being used pretty extensively. We're working with the owners of more than 80% of all TV inventory and are sometimes running spots on Prime Time broadcast on a Number 1 show, because sometimes the data about a person if they're about to buy a pizza, means they are worth more than any seller could sell in selling the Number 1 show in at Prime Time. So I think we're going to see those two evolve in a complementary way.

Unidentified Company Representative

Howard do you want to add anything to that, I mean you guys earn some of the most valuable inventory out there. How do you think about programmatic, is it with caution, with excitement, with a mix of both?

Howard Shimmel - *Turner Broadcasting Systems - Chief Research Officer*

So I'd say it's a mix of both, I mean -- and I think Dave just described it in the right way, which is separate out the efficiency of the process of doing the transaction between agencies and media companies versus using data to make more informed decisions about the value of different inventory.

Our view is actually that by using age, sex surrogates, women 18 to 49 is a surrogate for someone who is buying pizza, try that example for pizza, but it's a surrogate, and if you could be more accurate, you're going to drive greater yield from your TV advertising. So we think we're weaving some yield on core.

Unidentified Company Representative

Okay. We have another question, another couple of questions, one here, then to Dave.

Unidentified Audience Member

Yes. Can I go -- frankly comment Dave made about the -- looking at the internal Turner banner with the server data incorporated in it, if you can measure 100% of everything that's served up of a server, why wouldn't you want the server datasets incorporated in any sort of form of measurement that you are using?

Unidentified Company Representative

I think that it might actually be a question for you Howard which you talked about --

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Unidentified Audience Member

I'm sorry, I'm sorry, Howard yes.

Howard Shimmel - *Turner Broadcasting Systems - Chief Research Officer*

Just because when you talked about All Screen, it was the Nielsen out-of-home and Nielsen in-home and then your own server for the PC --

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Unidentified Audience Member

I believe you said 70 million versus 110 million when you incorporated your own server data in it. So, why wouldn't you want server data incorporated in any form of measurement that's measuring your content?

Howard Shimmel - *Turner Broadcasting Systems - Chief Research Officer*

Yes. So look, I think that's partially what we get through the integration with Adobe, which is one of the challenges that I think anybody in our space has faced, Facebook sees it too is you have internal data about traffic, you have the syndicated measurement services and they don't align and sometimes they don't align very poorly.

So the idea is that the integration with Adobe will give us audience data total server volume that's more in line with what we track and the level of having demographics so we could look at piece of inventory with more precision and also give us line of sight outside of the world of our web properties. We need to understand when someone who's an AdultSwim.com visitor goes to some other websites, we need to know what they're doing there. We don't have great insights if we just see that they went to MTV.com without knowing exactly what they did, so that's the vision of what this can provide is, that's what excites us so much.

Unidentified Audience Member

And I think it comes back to --

Unidentified Company Representative

Did that answer the question?

Unidentified Audience Member

Yes.

Unidentified Company Representative

It comes back to point that David Fischer made about moving from cookies and pixels to people. One of the issues with server log data is, you get a pretty good read on sort of total activity but you don't necessarily know about individuals and to what extent there is an individual on multiple devices versus different individuals and that's just one example (inaudible) that data. So you do need a way to sort of bring it back to individuals because the advertiser or the marketer wants to buy people, they don't necessarily want to buy devices or cookies or pixels or some other approximation. Yeah David.

Unidentified Audience Member

Okay thanks.

Dave Morgan - *Simulmedia - CEO*

So the panel, I think if you look at the players on the stage, there is a -- it's pretty illustrative of the innovation that Nielsen has embraced and how it's clearly trying to maintain its relevancy in an evolving landscape, but I have a question really about the core business and it's really for Howard at the end of the day, just pretend that there weren't 200 people in this room, are these guys not doing something you need them to do?

Howard Shimmel - *Turner Broadcasting Systems - Chief Research Officer*

Steve's a bit taller than me, I'm (multiple speakers).

Unidentified Company Representative

He is a gentle (multiple speakers).

Unidentified Company Representative

But very friendly.

Unidentified Company Representative

No, look, I think as I said in the my answer to the first question, we should be -- we should have as an industry launched this initiative a couple of years ago. Somehow we need to change the dynamic of the industry where we need to be ahead of technology not behind it. So I think it's just a little bit more about how do we -- how does Nielsen use the insights that we have just so the measurement roadmaps are a bit ahead of where the consumer is going not a little behind. I think that's the only thing.

Unidentified Company Representative

I agree with that. I mean I think we've put in place the right partnerships, the right technologies and humbly submit the right team to execute on this, but we are playing catch-up. I mean if you look at consumer behavior and I talked about this before. Consumers are spending 52 hours a week watching video, consuming other forms of media and yet the main currency captures a declining portion of that or best to flat portion of that. So there is work to do. We do think we've got the right assets, we got the right partnerships, we've got the right people, but it requires a degree of industry alignment and I think what you'll see is that industry alignment come together reasonably quickly or certainly quicker than we've seen before, because it's in everyone's interest. Okay any other questions. Yes one out of here. Thanks Jenny.

Valerie Brown - *AllianceBernstein - Analyst*

Thank you. It's Valerie Brown with AllianceBernstein. So a question on the partnership with Adobe, can you give us a bit more information about the scope, duration, financial terms, it seems to be quite critical to what you're trying to do, I just want to understand how robust that agreement is and the interdependencies between the two companies?

Unidentified Company Representative

Well, I'll let Jeremy talk about it, but Megan I think gave you sense for it. I mean as we looked at who is the most deeply penetrated provider of tags of software and who is the prevalent video player for both the TV industry as they think about the TV Everywhere set, and also for the digital players as they're investing more and more in video. The answer is unequivocal, and that was Adobe and so thanks to Lynda Clarizio and our business development team and conversation with Jeremy, it became very quick, very quickly apparent that Adobe was the right partner to take DCR from a really, really great idea to a sort of not only launch but rapid penetration in the marketplace. So that's sort of how we thought about it.

Jeremy Helfand - *Adobe - VP of Adobe Primetime*

And I think just to add, we see this as -- it's a long-term partnership, the way it will work is that any of our mutual customers who are using Adobe technologies, specifically with Adobe technologies specifically with Adobe Analytics or Adobe Primetime, we will be able to standardize and certify that data provided to Nielsen for creation of DCR, the rating, and that that rating data then can also be used by our mutual customers for not only insight, but also for actionability. The footprint for Adobe is very broad in who is using our digital marketing tools and Adobe Primetime, by the top 5 global media companies are, our most of TV Everywhere authentication in the United States today and so we see a very I think that's why there's mutual excitement between the companies because we do see an opportunity to accelerate what's happening in the market to average point around how do we catch up and move forward. This partnership, I think represents acceleration and we're looking forward to taking it to all of our mutual customers and then also demonstrating for folks that are not customers that there is benefit to be part of this solution as well.

Mitch Barns - *Nielsen N.V. - CEO*

Okay. we're going to wrap it up there. We're out of time. But thank you everyone for your considerate questions and please put your hands together for that panel.

Operator

We'll now pause for a 20-minute break. We ask you please take your seats. Our presentations are about to begin. To begin the next section of our day, global opportunities and where watch meets buy is John Lewis, Global President. John will be discussing our strategy to elevate the global growth game in the buy business.

John Lewis - *Nielsen N.V. - President, Americas*

Good morning. That's what happens after a break, everybody is ready to go. So it is wonderful to get a chance to talk to you about the buy business and the opportunities that we see in this business. And I want to start with why we are winning, winning both from competitors and also in situations where clients just invest more on our capabilities in less competitive situation. It usually happens for one of five reasons. First, our global position, our footprint, which you heard a little bit about, I'm going to talk to you more about it, but it's more than the footprint, it's the connective of that footprint, it's harmonized databases, it's harmonized client management as one client around the world, it's the same analytics in every market that global position.

The second is the integration of watch and buy. You heard Megan and Steve do a wonderful job of talking about how we're keeping up with that fragmented audience, how we're managing to stay ahead of the reach variable. And then connecting it to the natural home of the buy business what do people buy or the reaction that Steve talked about, that's what CMOs want to invest in for growth purposes and spending efficiency purposes and we're there.

The integrated measurement analytics, we have a robust set of offerings in the analytic space, better pricing better innovation and it's all built on the measurement capabilities that we already have. Fourth, the coverage and granularity. I have already talked about coverage a little bit in the context of global, but let's talk about within the market. So it's we're very retail-centric. We've all the right retailers involved in our coverage, we've all the right channels to the right stores also clients can make the kinds of decisions they need to make to activate against their business. And lastly partnerships, very important on the watch side as we just heard, very important on the buy side, partnering with other information companies, partnering with technology companies.

I will single out one Steve did mention that Nielsen Catalina joint venture integrating the loyalty data from Catalina, the media data from Nielsen, the consumer panel data from Nielsen and the technology platform from Nielsen all together to let people plan and buy their media against more than just demographics. We're getting 10% to 30% increases in ROI, people working with Nielsen Catalina. So, you can see for these reasons we feel very bullish about continuing to win well into the future.

Let me step back and talk about the environment that we're operating in. So the first tailwind, the biggest tailwind on this page is emerging markets growth; population growth, the growing middle class, the growing consumption that comes with that. That is the biggest opportunity for our clients and therefore, it's the biggest opportunity for us. And yes, there's a little volatility in growth rates year-over-year. But if you look at this over a long period of time, this is a huge opportunity for as long as we can see, let's call it the next 20 years. Developed markets are different. We're here, we're talking about lower growth environments, we're talking about aging populations, you have to play these markets different to be successful and we'll talk a little bit about that in a few minutes.

Next I want to talk about e-commerce. E-commerce is exploding, exploding globally, and we're going to talk a little bit more in depth about it. It's a huge opportunity for our clients, it's a huge variation in the marketplace, and we think a big opportunity for Nielsen. On the traditional retail, they're reacting to it. They're getting the wallet of e-commerce, they're reacting to pure play e-commerce players, and it's really changing. Do they want to have as many big boxes as they once wanted to have? They want smaller formats, there's more consolidation and there's more value orientation in this marketplace. And lastly, I would be remiss if I didn't talk a little bit about just the foundation of buy business, which is the CPG business and how we see that.

The CPG customers are getting lower growth right now than they expect. That's the environment we're in right now. We're very bullish though over a period time that these are essential categories, essential products, and we will see a return to the growth along their expectations. So for all the major trends that we see, we feel very well positioned for the future. Let me talk a little bit more about the global footprint that I mentioned. Mitch mentioned it 106 countries, we're excited by that. But to be honest, it's the next part that we really, really feel excited about and our investment has fueled over the last few years. I'll just underscore it. We're covering 90% of the global population and GDP. That is a really unbelievable foundation for growth for Nielsen and for us to help our clients.

But I think one difference in Nielsen of the next five years in the buy business from a Nielsen in the last five years, we had to invest to get this foundation. The Nielsen in the next five years has to optimize this and make the investments a little bit differently. We have to recognize developed markets are completely different right now than developing markets and even within developing markets, there are nuances that make us have at least two, maybe more different go-to-markets. Let me expand on that a little bit. So developed markets, let's call that 11% of the global population. These are management performance oriented businesses. These are clients that in a low growth environment are trying to take share from their competitors whether they're retailers or manufacturers.

They have to do better innovation, they have to market more effectively, they have to price more efficiently. As long as Nielsen is able to help them solve those problems, address those opportunities, we will be hugely successful in developed markets. Now developing markets, I'm going to divide it into two tiers. Tier 1, which are the biggest opportunities and 50% of the global population. These are the obvious countries; India, China, Brazil, Mexico, Indonesia, and a handful more; and then the rest of the countries, which represent 28%. Let's talk about Tier 2 for a second. So Tier 2, this is about the basics, the fundamentals for our clients. This is about providing coverage for our clients. This is about not investing way out ahead of where clients can go in these markets.

This is about managing these clients, managing these businesses for growth and profitability in it for Nielsen. Tier 1, we have made a gigantic investment over the last five years and it's paying off. We are getting really really good returns, really good growth and profitability in these markets. But these are markets we're going to keep investing out because there are enormous opportunities ahead. These are businesses that are going to look like developed markets someday. They are going to have robust watch and buy businesses, they are going to have robust inflow and insights businesses, they have huge clientele to be able for us to invest and continue to get a return. For example, all the multinationals are clearly in those markets and we're growing nicely with multinationals call it high single-digit growth in those markets.

But the local clients in these big robust markets, you would be amazed at the size and the number of large clients who are now investing more and more in Nielsen and by the way, getting very sophisticated, have regional and sometimes global implications. We are growing 20% to 30% on average in those markets with those local clients. So again, the way to think about this thing is about Neilson maximizing or optimizing all these different tiers of capabilities and it's why we feel very good about our global footprint. So far I've talked a little bit more implicitly about info, let's talk about insights. Insights is the way we drive big outcomes for clients. Again, did we help them innovate more success than they would have, did they market more efficiently, did they grow bigger because of the things we help them do.

I think sometimes we talk about info versus insights. I think that's kind of not the way we'd like to think about the business. They really are sort of mutually reinforcing and compatible. In fact the way clients think about this is they first measure where they stand in the business. That really is kind of driven by the info side of the business, we help them measure that. Then they plan what do I want to do differently, what do I want to do better, how do I want to attack my competitors. That really is largely an insights driven process and then you execute and to be honest with you, that really is the combination of info and insights really and then the virtuous cycle continues on and on.

So, the way to think about this, the way we'd like you to think about it is we couldn't be good in insights without the measurement capabilities and then the insight capabilities sort of amplifies that measurement success and overall if you do insights really well, you are growing the overall relationship, both the loyalty of the relationship and the size of the relationship. And that means what we need to do in insights is keep building a robust set of capabilities. So just in the last year we made four acquisitions in this space. One in the assortment and shelf optimization space, a second in the innovation space the technology platform that we love, the third in an economic modeling and forecasting business in developing markets by the way, and then a US-based consumer insights business.

We already have significant growth in the insights business on an overall basis in emerging markets and we have high pockets of growth in the developing markets in some things where they want to spend money. We just don't probably have the overall growth rate that we want because of the discretionary spend environment that Jamere has talked about earlier. E-commerce, I mentioned it already, but I think it merits a little bit of a separate discussion. So last year in this forum we talked about the big opportunity that we felt e-commerce represented for Nielsen. We feel even more so that way. We think right along with the OCR and the total audience conversation, it's one of the most important things Nielsen is working on and we've had a lot of progress since we last talked to you about this subject.

So, let's talk a little bit about the client activity. So, the biggest single thing that's happened in the last year in this space is the deal with Alibaba, the player of the moment. Our Chinese team created a fantastic deal where Alibaba is working only with Nielsen to avail to the manufacturers who participate on the Alibaba platform an integrated view of what is happening on the online Alibaba platform integrated with what's going on in the offline shopping environment. It's a breakthrough arrangement. It's a really, really big deal for Nielson. Amazon, now Amazon is not cooperating on a POS base I want to be clear and I don't know if that will happen any time soon. I do believe personally it will happen at some point. But we have a great relationship with Amazon, we are spending a lot of time with them.

They are really participating more on sort of the marketing effectiveness part of the e-commerce opportunity, which I'll mention just in one more second. Then Cheong Tai Leung, my colleague who's going to talk a great story in a second about Indonesia and one of those great local clients in Indonesia, she and her team also have made a breakthrough in the e-commerce space as well. Lazada, the leading player in Thailand, signed a deal with us and it will create an integrated marketplace online and offline together in one measurement for that market. It's not on the chart, but I'll mention India is a place we're making real progress as well and I wouldn't doubt to see some progress early next year in e-commerce breakthrough in India.

Now on the product side, we have to realize one-product will not fit all here not in a market, not even within a market. We will have capabilities that are e-commerce only, we will have integrated products that are e-commerce and offline, we will have analytics only products, we will have new panels. It will take a lot of investment, it will take a lot of different agile moves to help be the leading player in this space and help our customers. One more reason to believe Nielsen will be the leader in this space is it really is a watch and buy in marketing effectiveness opportunity. If you're an e-commerce pure player, you know that you are affecting offline commerce as well. People are coming to your site looking at products, trying to understand prices, and then sometimes they're buying offline.

You want to monetize those eyeballs, you want to understand how you are affecting offline commerce. We're the perfect guys. Megan and Steve talked about, we're the perfect guy to help you understand the reach you have and then the reaction time in the buy side of business. This is really where we've been participating a lot with players like Amazon. So, I think this is a huge opportunity for our clients. I think we're in the early innings of e-commerce as a total, it's almost like an analogy to the total audience. This is the total commerce plate and I think we're going to wind up being a big leader in this space. So, I hope you share the optimism and the opportunities that I see from a global growth standpoint for the buy business.

It starts with coverage. 90% of global GDP and population. We then build on top of that a robust set of analytical offerings to drive big outcomes for clients. It's why we're winning with both the global clients, but we're also winning even bigger right now with the local clients especially in those Tier 1 emerging markets. We have tremendous momentum in emerging markets, the single biggest opportunity for our clients, the single biggest opportunity for Nielsen. And if you said there was a second biggest opportunity, it's e-commerce and we feel we're very well positioned for a very big success. It's why we're so bullish and I really appreciate your time. Thank you.

Kate Vanek - *Nielsen N.V. - SVP, IR*

Taking the stage next is Cheong-Tai Leung, President Southeast Asia and Northern Pacific, who came over from Singapore to discuss our approach to the emerging markets and how it relates to her region.

Cheong Tai Leung - *Nielsen N.V. - President, Southest Asia, North Asia and Pacific*

Good morning. I'm Cheong-Tai Leung and I live in the beautiful, sunny, warm, and exciting city country of Singapore. Now let me take you on a journey through the emerging markets, specifically Southeast Asia, which have become increasingly important to Nielsen. Combined, the Southeast Asia region represents the world's ninth largest economy and the fourth largest exporting region. The population is booming where it's already home to 600 million people, it will grow by over 300 million people by 2025. At the same time, it's the expansion of wealth that's driving the consumer power in Southeast Asia. The middle class will double to 400 million in 2025 and the ultra high net worth individuals will grow multiple fold to 28 million and that's larger than the entire population of New York State.

Southeast Asia is exciting, it's dynamic, it's diverse. It represents tremendous opportunities for our clients and for Nielsen. When we look at the CPG market in Southeast Asia, we see three distinct segments. The first segment is the global giants, they are already the stewards of our business. Nielsen have been their global strategic partners for decades in both developed and developing markets. The second segment, the Asian Giants, where they are already very regional and somewhat global. Similarly, Nielsen has invested heavily to build long-term strategic relationships with them. The third segment, also Nielsen's fastest growing segment, is the local giants. Typically home-grown, they are already very successful in their home country and many have big regional and global ambitions. When we look at the emerging Southeast Asian markets, there is none more exciting than Indonesia.

Indonesia is the world's 16th largest economy, already larger than Turkey, is forecasted to become the world's seventh largest economy by 2030. As of early of last year, the Indonesian consumers are ranked among the Top 2 most confident consumers in the world. And as the wealth of the middle class, which is to triple to 117 million by 2020, the wealth of these consumers' expense was seeing a shift in their mindset and attitudes. Let me introduce Ika to all of you. She is 27 years old and she works in an office in Jakarta. She lives comfortably and she spends freely. Ika was the first in her family to receive a college degree. She takes a trip overseas every year with her friends. There's not a moment each day that you don't find Ika on her mobile phone checking her Facebook account or talking to her friends on WhatsApp.

Ika is the new Asian consumer who represents a paradigm shift from a consumer who is saying look at me to a consumer wanting things for me every day. New consumers like Ika are joining the middle class. We are really excited and Nielsen is uniquely positioned to help our clients drive growth in Southeast Asia. This is a case study of a local giant in Indonesia, Mayora. Mayora is Southeast Asia's largest manufacturer of biscuits and I think you call them cookies there in the US. in fact I think some of the (inaudible) although the selection is very limited for now. Mayora represents local giants that are going through a progressive transformation taking place in Southeast Asia. Mayora was founded in 1977 selling homemade cookies at a humble local traditional store. In 1990, it was listed on the Jakarta Stock Exchange.

In 2011, the founder Jogi Hendra Atmadja passed the baton to his son, Andre. Andre has held several roles in Mayora since 1996 post graduating from the Boston University. Today, Mayora has grown to become a local giant manufacturer in Indonesia with operations in eight countries, product distribution in another 26 countries, with a market cap of more than $2 billion. As Jogi grew the business from selling homemade biscuits at a local traditional stall, he made most of his decisions based on instincts. As the business grew to become a listed company, Jogi and Andre can no longer rely on just instincts. They need in-depth market insights and analysis to help make informed decisions. Let me elaborate on how Nielsen is uniquely positioned to partner with Mayora. Back home in Indonesia, Nielsen has helped provide insights on the shift of attitudes and mindsets of consumers like Ika.

This has helped them stay current and relevant in the market and retained a local market leadership position. In Vietnam, Nielsen shined the light on the incremental potential it represented to Mayora. Vietnam is unknown territory to Mayora. The insights we provided on everything from geographic hotspots to population density, channel contribution to stores coverage, pack sizes to pricing strategies helped Mayora develop a comprehensive winning market entry strategy. In Brazil where Mayora was considering entering the coffee category, our insights revealed low growth potential. This has enabled Mayora to focus their efforts elsewhere minimizing risks and maximizing growth. As Mayora continues with their growth ambition, they now start to look at markets beyond Asia, in Africa and Eastern Europe.

Once again by leveraging our global footprint and local market and consumer insights, we have helped guide the way for Mayora and laid the foundation for successful and sustainable growth. As Mayora grew strong double-digit year-on-year, at Nielsen we have grown four times in four years with Mayora resulting in Mayora becoming one of the Top 5 clients in Nielsen Indonesia today. The journey continues as Mayora pursues the ambition of becoming global. Mayora is just one of the many local companies we work with in Southeast Asia and in many emerging markets. As we look at the dynamics taking place across the emerging markets, the population growth, and the booming middle class; we're extremely excited about the incremental opportunities they present to us and to our clients. Nielsen is well positioned with a segmented approach and we have built strong relationships with global, Asian, and local giants. No other company can provide this complete view of the global markets and consumers and this is what makes Nielsen their perfect strategic partner for growth. Thank you.

Kate Vanek - *Nielsen N.V. - SVP, IR*

The meeting and marriage of our watch business and our buy business is a powerful junction with some exciting growth prospects that is incredibly unique to Nielsen. We've called that solutions historically and going forward it will be known as marketing effectiveness. John Burbank, President of Strategic Initiatives, is here to explain why and more.

John Burbank - *Nielsen N.V. - President, Strategic Initiatives*

Hi folks. I've come all the way from Connecticut to be here. So, I'm here to talk about marketing effectiveness. And I think last year, we walked through the concept of our taking our reach, resonance, and reaction products and applying them to advertise as we call them advertiser solutions and we decided that we would change the name and it's really for two reasons. The first reason is that nobody out there other than us was talking about ad solutions, people used the term marketing effectiveness and so we thought we'd use our terminology to get in line with the rest of the market. And the second reason is a much more important one and that is that our brand clients today are facing a real challenge and that is how do they build brands in a very, very complicated world. Like several other folks at Nielsen, I started my career at Procter & Gamble and I was a brand manager and back in the day, it was a relatively simple thing to do.

There was a playbook, right. You create a product, you get distribution, you test your product, you create some advertising, you test it, and you press the button and it all kind of works more or less pretty well. But today, there's so much complexity that it's really, really hard for these brands to know how to build the brand in a very, very hyper changing world. And you would think maybe that with all this data that's being created that it would actually help. But to coin a phrase, we found that there is more data, there's more problems. There's just more complexity every single day for these brands. So put yourself in a brands position today, you've got all of the data that you would always traditionally have; all the data from your retail stores, all the data from your advertising, all the data from your consumer surveys, and everything else; and then it's compounded by all of these new technologies that are coming at you.

So you'd like to use this data, but on top of that you have all sorts of challenges around consumer privacy and you have all sorts of challenges around the security of your data. And these are the problems that Nielsen has been focused on and I would like to hope to convince you that we're making a lot of progress in this area. Let's take a look at just how our buy data has been transformed. If you think about it 90 years ago when Mr. Nielsen started the Company, all he could really measure were stores. That's because consumers walked into the store, they were anonymous, they paid with cash, they walked out, and it was anonymous. All that we could do was measure what happened within that store.

But over time with the use of credit cards and debit cards, the use of loyalty cards, and the increasing use of things like mobile payments; the consumer has gone from being an anonymous consumer to being a knowable consumer and they're not just known at that one point of time, but they're known longitudinally. The retailer can follow that consumer throughout their entire lifecycle. And what's also interesting is that no longer are you bound to measure only those things that go through that store. If you have credit card data, you can watch that consumer and where they're purchasing things all over the place, whether it's in the store, on travel, at restaurants, et cetera. So, it becomes a much larger dataset. And I think it's interesting to point out that over the past couple of years, we've created relationships with the owners of the largest credit card datasets in the world and we've also created relationship with the largest loyalty card dataset here in the United States.

But those data sets on themselves aren't good enough and you've heard this continuing theme throughout the day that first-party data on its own isn't good enough because it only takes a slice of the consumer behavior. That slice has to be contrasted and calibrated with the panel and that's why the Nielsen panel on the buy side is still so very, very important. So we have individual, we've gone from anonymous to knowable consumers on the buy side. Guess what's happened on the watch side. So, it used to be that in order to be a broadcaster in particular, you would get a license

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from the government, you'd get an Internet, you'd get a broadcast facility, out into the ether would go your signal; but you would never know who are those individuals that are actually getting the signals and that's where the Nielsen panel came in.

But with digital technology, we're going from that anonymous unknown consumer to a server-to-server connection where it allows you to identify who you're reaching to a certain degree. You can identify a browser or cookie, a device id and just as we've done in the buy side, we've created relationships with the largest on the planet company that has registration data, device ids, and cookies and that's Facebook, more than 1 billion people. And so they are able to now understand what the connection is between that broadcaster or that media company and those devices at the individual level. But just as with the buy data, looking at any one of those slices isn't sufficient. It has to be calibrated, it has to be you have to understand how that one slice fits into the overall consumption of the consumer and again, that's where our panels come in.

So on the buy side, we've got individual level data; on the watch side, we've got individual level data. Obviously what we want to do is to bring that together and when we do bring that together, it's going to have all sorts of profound implications for both media, retail, and consumer marketers. But I'm going to deep dive into the consumer marketer for the purpose of today's discussion. And we see that there are really three areas where this is going to impact. First and it's been alluded to earlier, we see that media planning is going to go from demographics to what we call demographics plus. That is we're going to able to take actual purchase data and infuse that in the ratings data so that an advertiser can buy not just on the demographics, but they can buy their particular buyer. And what's interesting is more and more of our clients develop their own proprietary first-party datasets.

So if you are an automobile manufacturer and you have a big CRM list, we will be able to take your particular CRM list, add that to our measurement, and we'd be able to report not just on auto buyers in particular, but we can actually talk about your unique customers. The second thing that we're going be able to do is we're going to be able to integrate all of this reach measurement into the operating systems of these marketing platforms so that during campaigns, there will be faster, better information flowing into the systems so that advertisers can make smarter decisions and change their plans in-flight to get a higher ROI. And then lastly, if the ROI is the big thing, again we'll have all of the reach measurement at an individual level, we will have all of the sales data at an individual level, We'll be able to array those things together over time and we'll be able to give advertisers a much crisper view of exactly how their media investments and their marketing investments overall are paying off in more sales and more loyalty for the brands.

So, all of this is really dependent on our ability to go out and get more data. And I've had a pretty good experience over the past several years because I've gone out and tried to get data and we have some really interesting advantages I think when we go out and try to talk to people about loaning us their data so that we can use it in systems like this. So the first thing is that data owners trust Nielsen. They know how we're going to use the data, they know that we're an independent third party, we're not going to stand in the way of their business model and very, very importantly in this world, we have a sterling reputation with regard to consumer privacy. The second thing that data owners recognize is that we can actually enrich their data. They know that they have a biased set of data. We can take our panels and make it more useful to them because we can round out and smooth out the biases.

And lastly, we can connect their data with our proprietary data or our partners' proprietary data and create a better network of datasets and then deploy that across the ecosystem, whether it's the media ecosystem or the 20,000 clients that we have on the buy side. So if I had a chance again to redo this slide, I would re-title it. I re-title and I'd say, this is why I love to come to work at Nielsen. Right. I love to come to work at Nielsen because this world is going to get more and more complicated every single day and it's going to mean that clients are going to want more and more solutions and it's going to mean that the advantages that Nielsen has are going to place us very, very well to solve the problems that our clients have.

And then lastly, we touched on this a little bit with the credit card data. If we do this right and I think we will, this is going to allow us to expand beyond just CPG and to solve problems for a whole array of consumer products and advertisers, not just in the US, in developing markets, but across the entire globe. So thank you very much.

Kate Vanek - *Nielsen N.V. - SVP, IR*

We'll now dive into our final Q&A session for the day. Before we begin, I'll have Mitch introduce the new face that you have on the panel for you.

Mitch Barns - *Nielsen N.V. - CEO*

It's right down on the end, his name is Dan Beltramo and he leads our product -- what we call our product leadership function for our marketing effectiveness practice and so a lot of the things that -- you just heard John Burbank talk about. Dan's working on those from sort of what's the next generation of the product set in that practice area for us for the future. So Dan joins us on the panel as well.

Kate Vanek - *Nielsen N.V. - SVP, IR*

Excellent. First question.

Unidentified Audience Member

A question about e-commerce, particularly in the US as the discussion about omni-channel delivery and the idea that we are seeing more online retailers develop on-ground stores. Is that beginning at all to change the conversation with large e-commerce clients that may need to get data that's actually coming on from an offline world?

Unidentified Company Representative

Well sure. First -- I think first time we probably started to use the word omni-channel with all of you was when we announced our relationship with Alibaba in China and we call that product omni-channel in that market. And look it's due return of interest. In fact, our big e-commerce player in the United States was one of the first to call to learn more about what we were doing with Alibaba in China and that's good because more conversation we have, the better not just with Amazon, but all the players in the marketplace.

The other thing I'd mention, then I'm going to ask John and maybe either one of the two Johns to comment is the omni-channel idea is really thinking about e-commerce platform as a retailer and adding to our retail coverage, which is incredibly important to us but the thing we always like to remind ourselves and all of you to is these players are much more than just retail platforms. They are marketing and they are media platforms, consumers are using them that way, especially through their mobile devices these days and these e-commerce platforms want to get paid for that exposure and effect they have on offline sales for brands. And that opens up a lot of opportunity for our business in short and the long run as well. So either one of the Johns?

John Lewis - *Nielsen N.V. - President, Americas*

I think that these e-commerce players -- these pure-play e-commerce players they want to build their business and for example one of these are doing in lots of parts of world, but you mentioned the US. They go local and they want to serve a local market and local delivery market and they don't really know what the nuances of individual markets are and Nielsen does know that and so they very much want to partner with us. But in the end, there are some limits from a proprietary standpoint that they are not ready to cooperate on a POS basis, but it shows you the interest level and how these things are coming together.

Toni Kaplan - *Morgan Stanley - Analyst*

Hi, Toni Kaplan from Morgan Stanley. On the global geographic front, you've mentioned that you're already reaching about 90% of the global population. Are you everywhere that you want to be right now or you still expanding? And then a follow-up, how should we think about margins on the local versus multinational front? As local grows, is there inherent margin pressure, is there more investment required for local versus multinational?

Mitch Barns - *Nielsen N.V. - CEO*

I want Steve to take the first one, and maybe Jamere the second.

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

Yes. I think that we are mostly everywhere we want to be. I would say maybe the one exception is over time we are already have a nice footprint in Africa, I think what we are -- like in the rest of the markets, we want to optimize the footprint we have and do better and have natural growth that is coming to us. I do think there are some additional African countries that will eventually get to, but I think we have to make sure that we are -- we really do well in five to six African countries right now.

Jamere Jackson - *Nielsen N.V. - CFO*

We added three new countries this year. One of them in Southeast Asia right around the corner from (inaudible) now Myanmar, which is a booming market in that part of the world, lot of other companies are investing in.

Steve Hasker - *Nielsen N.V. - President Global Product Leadership*

Yes, and the margin profile will be almost identical for local versus multinationals because the products that we sell will be the same as John talked about in his presentation, our locals are really investing in a way to help them become more sophisticated so that they can compete with the multinationals, which means that they are going to be using the same products. What you see sometimes in the short term is a client that maybe doing more custom research versus syndicated research, which we tend to trade them up to syndicated research over time. And that's what drives more of the margin dynamics, but over time, the products will be the same, because the level of sophistication that clients are trying to achieve is the same.

Todd Juenger - *Sanford Bernstein - Analyst*

Question probably for John, [everyone else] take it. Just would love to explore a little bit the pressures on your core growth in developed markets, particularly Europe which I think you acknowledged and you talked about your big CPG customers have a little less growth than they probably hoped, but I'm trying to square that with, Mitch said you're not really losing any share to competitors, it seems like a beauty of your business is, your customers kind of have to have your data in good times or bad and when we are talking about the information business, I guess I don't understand what degrees of freedom customers have to sort of pull back from you. So, if you can talk about some examples of the specific drivers of the less than hope for growth and then obviously what will take to get that restored? Thanks.

Unidentified Company Representative

John, you want to take that.

John Burbank - *Nielsen N.V. - President, Strategic Initiatives*

Yes. First of all, there is no question that on balance, a lot of Nielsen the capability both info and insights are pretty much must-have capabilities. So that's one of the great things about the business model. Listen, when a client is not meeting expectations, they look to cut back on all areas, all their suppliers, all the different aspects of their business, it's been a very productivity driven world out there, especially in Europe and North America.

And so I don't think if there is one part of the business that suffers a little bit, I think basically they just turn down the knots, particularly are things are discretionaries. They're still keeping most of the tools that we have, but that one or two projects or that one or two categories that they might cover, they just don't cover at a time where they are under budget pressure.

Unidentified Company Representative

Todd the way I think about it, a lot of these big CPG companies, they're in transition right now. They are re-calibrating and in some cases they're changing the way they operate, they work their way through that and then I think they will return to growth certainly with us and more broadly within their business as well, but that's the period we're in right now, bit of a transition period and it's reflected in the way they spend in particular on the discretionary things.

Kate Vanek - *Nielsen N.V. - SVP, IR*

Question back in the corner.

Paul Ginocchio - *Deutsche Bank - Analyst*

John, you said earlier that the last five years are about investment, the next five about optimization. Talk about that maybe in the context of margins obviously (inaudible) some big investment. Are we now through that and buyers are going to be more incremental to the margin going forward?

John Burbank - *Nielsen N.V. - President, Strategic Initiatives*

I will take that and Jamere might add to that. Yes. I just think listen, the last five years, we've made a big investment to get that footprint. That footprint is not easy. Some of these markets are very complicated and they're really starting to pay off. And so I think it put us in a position we just recognize that we really have at least three tiers that I talked to you about today and maybe even some more nuances, but I think it gives us a chance to do different things in different markets. I do think that optimization will lead to margin accretion. That's our point of view. So Jamere if you want to --

Jamere Jackson - *Nielsen N.V. - CFO*

Yes just a little color, I mean look over the last three or four years, we've invested about two points of buy margins back into the business to achieve the kind of growth rates that we're talking about in the emerging markets, and you've seen the emerging markets growth rate accelerate, I mean we were 7% in the first quarter, 8% in the second, double-digits is our kind of our long-term framework, if you will. So, look I think as we move forward, you'll see some of those early investments start to scale and that'll have a positive impact on margins and we'll continue to invest in a disciplined way using the framework that John talked about as we move forward.

John Burbank - *Nielsen N.V. - President, Strategic Initiatives*

I've worked in our business in China starting back in 2008. And when I go back to visit today, it's so different, not only the marketplace but actually Nielsen in that marketplace, in terms of the level of sophistication and the capabilities we have in the market and also they're not just focused on what's happening in China, they're doing a ton in China, but also they are innovating and those innovations then benefit our business in Southeast Asia, other parts of the world. We're just so much stronger thanks to the fact that we've been investing back in these businesses going back five, six, seven years and doing it consistently through that timeframe.

Kate Vanek - *Nielsen N.V. - SVP, IR*

Kelly.

Kelly Flynn - *Winslow - Analyst*

Thanks. This is Kelly Flynn with Winslow. John Burbank's presentation mentioned something in one of the lines about expanding beyond CPG into other consumer categories, so could you elaborate a little bit on that in terms of what categories and perhaps timing? Thanks.

John Burbank - *Nielsen N.V. - President, Strategic Initiatives*

Sure. So we are already taking credit card data for instance and applying that to television ratings and things like that. And we expect, while it's still early days that we're going to have more utilization of credit card data as well as other first-party datasets, that will allow us to answer these fundamental questions for both media companies and marketers outside of the CPG space.

Kate Vanek - *Nielsen N.V. - SVP, IR*

I think Bill Bird has another question.

Bill Bird - *FBR - Analyst*

Question for Mitch, this bigger picture as you've laid it out today, you have some very unique data assets, you're making a lot of investments in evolving the product, how do you think about pricing for value, and is this just not the right point in time to exert maybe more of your pricing power?

Mitch Barns - *Nielsen N.V. - CEO*

Well we take a long-term view. We have to deliver value. There is a concept we talk about, which is you have to earn price. In other words, the value has to (inaudible) not the other way around. Even if you "can" still not good for you in the long run to do it. We like to earn it first, deliver the value, deliver the capability, have the impact -- positive impact on our clients business first and then they share the benefits of their business growth and their profit growth with us and return some of that value to us.

That's fair proposition, in fact it's good for our clients for us to approach it that way because they need us to be able to continue to invest and get ready for the next chapter in this evolution in the marketplace. So that's the way we approach it, take a long-term approach. If you get a little too hungry in the short run, you pay for it, you just will. So we like to grow along with our clients, deliver the value first and like all those things that Megan talked about with the measurement architecture, how we are approaching the total audience, that's going to unlock value for the marketplace. And we will share in that growth in the marketplace. This is not as Eurozone gain that we are involved in. It makes the whole market better and so it will make our business better along with it.

Unidentified Audience Member

It's a question for John Burbank. Just in terms of the competitive landscape in ad solutions, how do you sort of frame that right now, I mean, I say that's somewhat in the context of WPP's Kantar segment investing in one of your measurement -- smaller measurement competitors and making plans, references to an ad solutions type of product. So if you could just frame the competitive outlook?

John Burbank - *Nielsen N.V. - President, Strategic Initiatives*

First, what I'll say is, in the case of local, what you find is a lot of different products, some of which are for audience measurement and currency grade, if you want to think of it that way, some are more analytic or descriptive services that help describe audiences in new ways, and they aid the ad sales process. And the first, when you're going to have a single provider in a currency, that's what the marketplace consistently gravitates to because it's good for the marketplace. When it comes to analytical capabilities that describe audiences in new ways, you almost always have multiple providers. And I think that's largely what you see in terms of the reference you made to WPP and their interest in investing in the direction that they did recently. That's fine. I mean, there is plenty of room in the marketplace in that area of the business. You want to add?

Mitch Barns - *Nielsen N.V. - CEO*

Yes, the only thing I'd add is that and it's probably something you may be getting tired of hearing, but it's the truth, right. and that is the Watch assets and the Buy assets are so unique on to themselves. And that when we bring those together sort of the cumulative impact, the compounding impact of those things brought together, I think will be -- will far outstrip the capabilities of our competitors.

Bill Warmington - *Wells Fargo - Analyst*

An e-commerce question for you. You recently announced partnership with (inaudible) that includes both online and offline purchase, data to provide total measurement on the Indian market. So, how long before we get that capability in the US and what are the hurdles?

Mitch Barns - *Nielsen N.V. - CEO*

John you should take that.

John Lewis - *Nielsen N.V. - President, Americas*

Yes, I mean, first of all, there's different ways to get cooperation in any market. There is cooperation with the key retailers, both pure play online and traditional who are going into online, and we talked about some of that like the Alibaba conversation in China. So take the US, which was the source of your question, if Amazon we're in today, everybody else would be Walmart, Target, everybody is interested in participating.

Right now, Amazon doesn't want to be part of that and that's fine. So I think the Nielsen is left with, there are other ways to measure the market without cooperation. It's applying I'll guess to a little bit to the Watch conversation that Megan had today. it's building panels, it's having analytical products and we are doing that, John Burbank's being very involved in that, maybe you want to add a little bit, but that's the sense as you've got -- you want to build a relationship with people like Amazon and Walmart and Target, but the same time our responsibility to Mitch's point is to measure the consumer irrespective of the different players.

John Burbank - *Nielsen N.V. - President, Strategic Initiatives*

Yes, the only thing I'd add to it is that, if you look only at the US where Amazon is so dominant, it's a challenge for us to have a sort of a traditional RMS system. Outside the US, in Europe and Asia, where Amazon isn't the dominant player, we do have a solution. We have solutions that are out there in end market. And I think that, over time, Amazon will come to the cooperation model that we have out there and in the meantime, we're going to be as innovative as possible to figure out ways that we can supplement our existing panels with other sources of information to give our clients a total view.

Kate Vanek - *Nielsen N.V. - SVP, IR*

Thank you so much for all your great questions today. It's not over, the fun is just about to begin. I'll turn it over to Mitch now for closing remarks. This is after we clear the stage and then we'll see you downstairs.

Mitch Barns - *Nielsen N.V. - CEO*

Thanks guys. Can you hand me that notepad sitting there Jamere? So I need to click here. Yes. I got one, thanks. I will add -- just a few things that I'd like to reinforce before we close it up, and then we're hoping you are all planning to stay with us in the innovation lounge or some food and drink and opportunities to talk further there, but as we move to close, what I want to do is just return to this slide with our Nielsen value proposition. These three concepts that underlie our growth and strength and our value in the marketplace, and just briefly touch on these things again.

Performance management, first of all. Hopefully came through loud and clear to you that measurement is the core of our business, always has been, always will be, we're as focused as you could possibly be, on this concept of measuring the total audience and the total consumer. And I think you've heard a number of examples throughout the course of the morning of how yes, of course, our high-quality panels are a key part of the plan, but increasingly not the only part of the plan that we're joining them with other capabilities, other big datasets in order to have the best of both worlds, that incredibly high quality and all the descriptiveness that our panels bring and the granularity in additional capabilities of these other datasets. So that we can really create even better measurement and opportunities for improvement in our -- for our clients going forward.

So these relationships with firms like Adobe and Facebook and Experian and a number of others are all part of that open value that Brian mentioned earlier today (inaudible) several years ago and that we still live by very much. So you see it manifest itself in these open and very productive value-adding partnerships that we've engaged in.

Second is concept of consumer focus. I'll just say it again. We measure the consumer. It's a really simple little statement, it's really easy for me to say, but you can see from what Megan walked you through how difficult, how incredibly difficult it is, and it's growing more difficult which by the way is a good thing for us, because we're so far ahead of anybody else who might want to jump into this game. When they see how difficult it is, they just then say we will just measure this part of the market, just this little easy and more efficient part of the market. In the long run, that's just not good enough. You have to measure the whole thing, the easy and efficient parts and the more difficult parts, if you want to play in the game of providing that view of the total audience and the total consumer, and that's what we're all about. It's exactly what we're all about and it's why -- it's what makes our business so great really.

And then this global presence thing has a benefit that it delivers on so many different dimensions. This population growth tailwind, the rise of the middle class in these emerging markets, a lot of that is fueling this accelerating growth that we're seeing in our business in emerging markets. It's that tailwind combined with the fact that we've had years of consistent investment in these markets. And those two things coming together. That's what's driving that accelerating growth. Also the access that our global presence gives us to this fantastic talent, these great innovation ideas that come from all corners of the world, Nielsen captures those and we leverage them everywhere else that we operate. The diverse client base and strength and balance that that brings to our client portfolio, and just this emerging market strength in our business.

I failed to mention it earlier but emerging markets this year [will be a] $1.3 billion in revenue for our business, 36% of our Buy business. That's up quite a bit from where it was several years ago and you don't have to look too far out into the future to see the day when our Buy business in emerging markets will be more than half of our revenues. Still being fueled by that same population growth tailwind, rise of the middle class, urbanization, all of these things very powerful long-term consistent tailwinds.

So that's our business, performance management, consumer focus, global presence, you heard about it in so many different ways, approach from different angles today, but these are the things that enable us to continue to deliver that consistent revenue growth, expanding margins, growing free cash flows and incremental shareholder value. That's a scorecard that we get judged by and we're looking forward to adding the bars for 2015, not the estimate or not the plan but the actuals and we're as confident as we can be about the path that we're on, the strategy that we have, the leadership team that's driving it, the energy level within our company. I said it before, I'll say it again. I'm more bullish than ever about the future of our company. There has never been a better time to do what we do than right now.

So with that we'll wrap up this part of the program. I'm looking forward seeing you all downstairs, enjoy some food and drink. Let's have an opportunity to talk further. There will be a number of exhibits around the periphery of the room where you'll get to see live and in person, more Nielsen capabilities and there will be Nielsen experts manning every single one of those exhibits. So I strongly encourage you join us downstairs, spend at least a little time there and take advantage of what we have prepared for you there. Thanks again, everybody, for coming today.

Operator

The presentations have now concluded. Please join us downstairs for lunch and time in the Nielsen experience lounge.