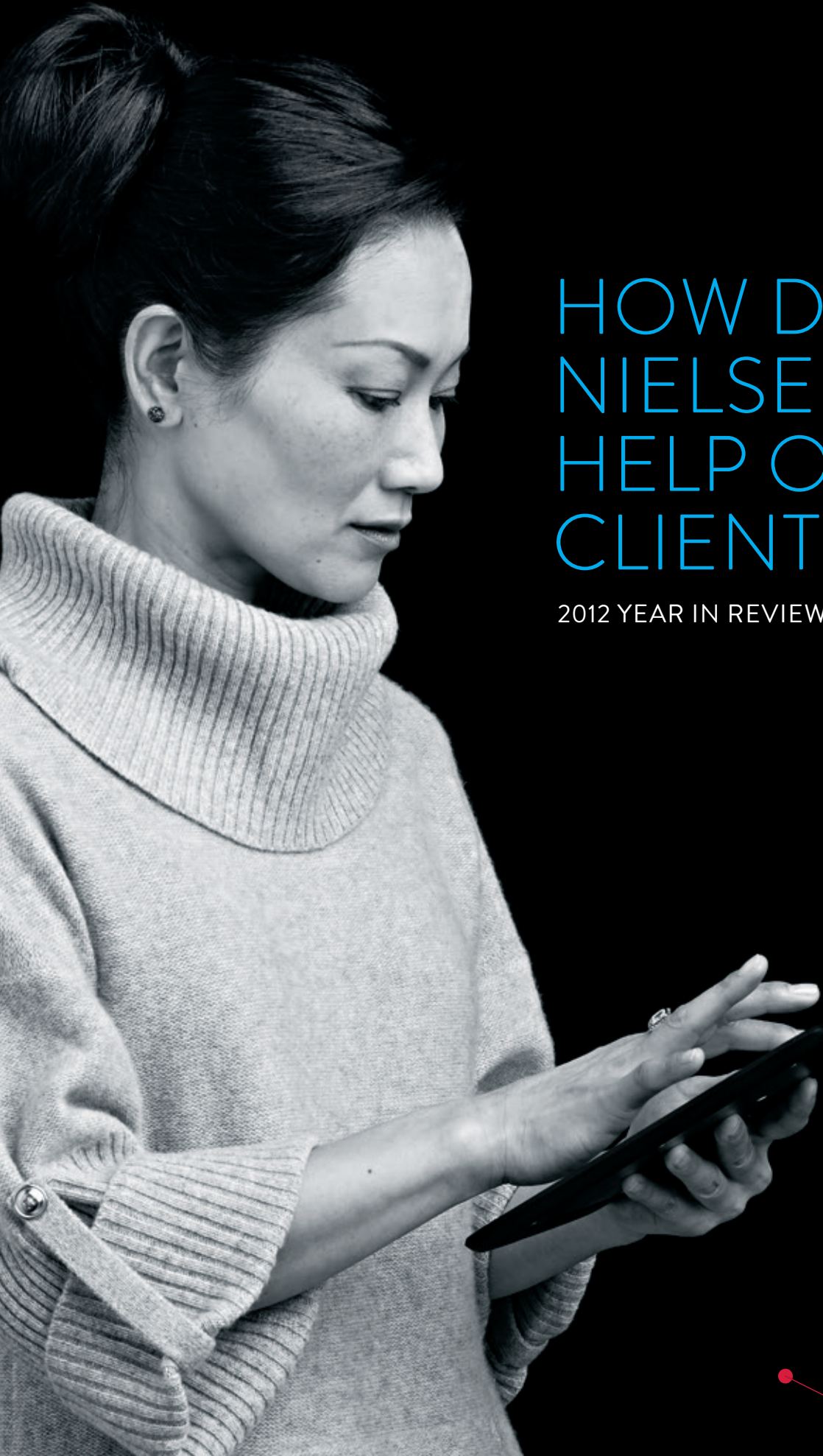


# HOW DOES NIELSEN HELP OUR CLIENTS?

2012 YEAR IN REVIEW

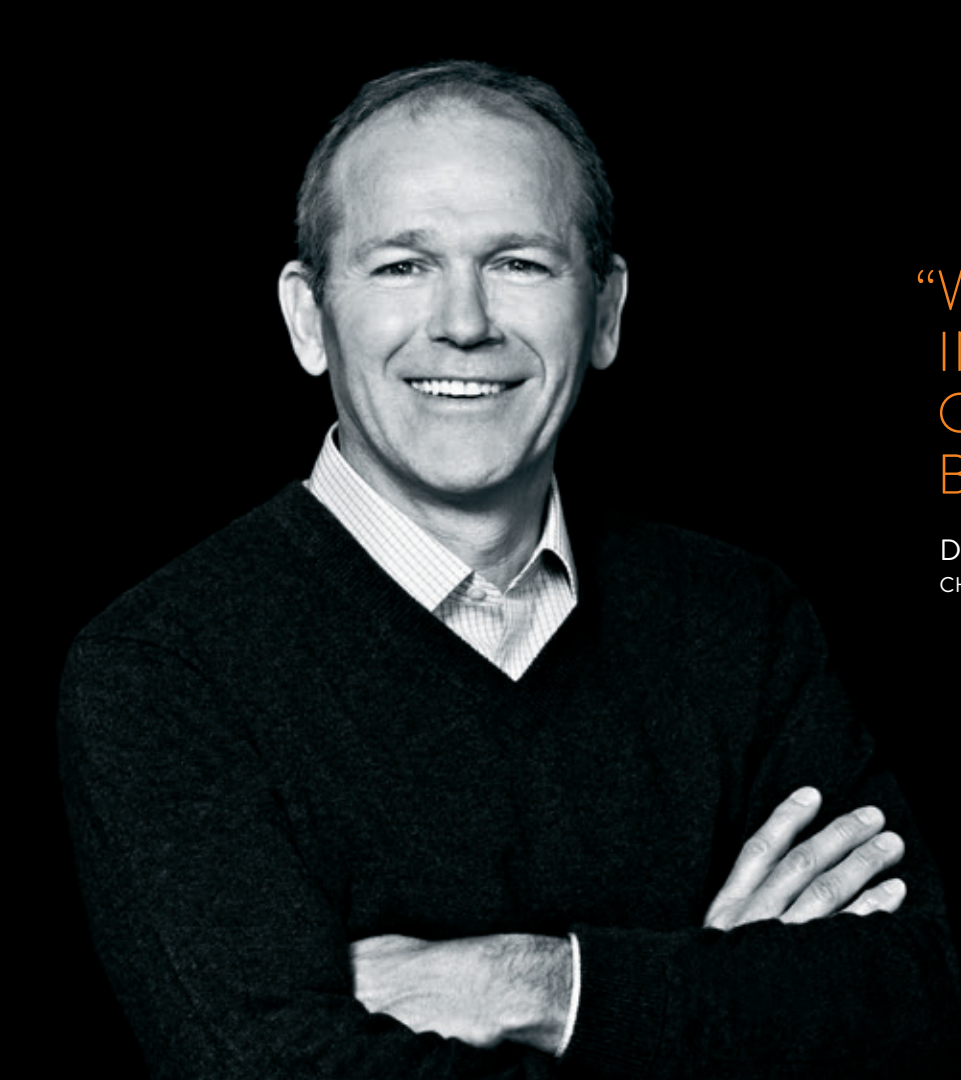






Nielsen's mission is to help our clients have the most complete understanding of consumers worldwide. Our focus on the consumer provides information and insights that enable clients to make crucial business decisions every day.

With innovation at the forefront, we strive to add value for clients across both the developed and developing worlds as media is consumed in new ways and as clients enter new geographies. Our promise to our clients is to help them make faster, smarter and more confident decisions, driven by consumer foresight.



“WE WORK AT THE  
INTERSECTION  
OF BIG DATA AND  
BIG DECISIONS.”

DAVID L. CALHOUN  
CHIEF EXECUTIVE OFFICER

# DEAR SHAREHOLDERS

Despite some dire predictions, the world did not end in 2012. The European Union did not unravel. The U.S. did not throw itself over the “fiscal cliff.” Certainly, we are all still adjusting to the more complicated economic environment of the past few years. But we continue to move forward, propelled by consumer demand—the most powerful financial driver in the world. That force and the remarkable efforts of our 35,000 associates made 2012, Nielsen’s 90th year providing measurement services, a successful one. Our particular success was marked by unprecedented expansion of our measurement services for the media and retail industries, and by seizing a number of important Big Data opportunities, all fueled by innovation.

Every day, seven billion consumers work, learn, eat, sleep, relax—and spend hundreds of billions of dollars buying the products and services they see featured on every screen and in every store in their daily lives. This demand will only increase in the coming years, as there will be another billion consumers by 2025—and at least two billion of the total consumer population will join the middle class, predominantly in emerging markets including China, Latin America, India and Africa.

At the same time, demand will shift, in part because nearly 500 million people are projected to move into cities in search of better opportunities in the next dozen years. By one estimate, annual household consumption in the 600 largest cities will increase by more than \$20 trillion<sup>1</sup> over that period—and urban consumers buy differently than rural ones. Technology is accelerating the shift in demand and will drive more information and interaction as it becomes cheaper and even more pervasive.

I've yet to meet any leader who would bet against these projections. The only strategic question we all face is how to capitalize on the opportunity presented. All of this was foreseen by Arthur C. Nielsen, Sr., who described the ultimate mission of his young company's measurement activities as "the increasing of the standard of living in the free countries of this world." We continue to embody that commitment today.

As our founder recognized, companies that understand who and where their consumers are can reach more of them more efficiently, achieving greater economies of scale and spending less on distribution. Competition intensifies and innovation flourishes. In short, consumer measurement facilitates growth.

At Nielsen today, we embrace our founder's passion as we continue to invest in creating the world's most complete picture of what consumers watch and buy. This is what we do, and we do it for more than 20,000 clients in approximately 100 countries around the world. We work on behalf of some of the most sophisticated companies on the planet, and on behalf of those, large and small, that aspire to join their ranks. We are fully committed to bringing our clients the most accurate and timely information we can generate about their consumers.

## OUR CORE BUSINESSES

97% of our revenue comes from two fundamental consumer activities we call Watch and Buy.<sup>2</sup> The former serves media interests, the latter supports manufacturers and retailers. The core of each business is measuring the activity of the world's consumers. In each area, we also offer a set of analytic services designed to help our clients meet their most important challenges and seize their biggest opportunities.

Our Watch and Buy businesses are highly scalable. Both have posted growth<sup>3</sup> during every one of the past six years including 2012, despite the ups and downs of the business cycle. The stability of these businesses reflects just how deeply Nielsen's information is embedded in our clients' ongoing operations and in their decision-making processes. Our multi-year client relationships provide us with the incentive and the flexibility to keep improving and extending our measurement activities every year. As we define and expand measurement, we consider the open-air marketplaces of Nairobi as important as the grocery stores of Main Street USA, and watching video on a tablet as important as watching TV.

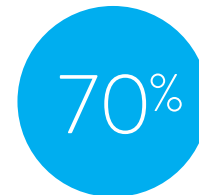
We work at the intersection of Big Data and big decisions. This is crucial for clients, whether they have millions or billions in sales. Their decisions drive high-stakes investments, and must be made on the very best data available. We provide much of that data, and work with our clients to integrate it into their systems and workflows. Our teams—who are often deeply integrated into our clients' daily activities—are world class at helping them extract unique insights from giant datasets, that ultimately help them grow.

For us, Big Data starts with massive volume. We collect enormous amounts of consumer purchasing data all over the world, from all types of retailers, e-commerce providers and consumer households. We also measure how thousands of monthly and weekly changes in product offerings, pricing, promotion and marketing programs influence sales across every retailer and distribution channel. At the same time, we capture incredible data variety as we measure media consumption by millions of

## NOW TO 2050

### FROM 2010–2020:

EMERGING MARKETS WILL REPRESENT

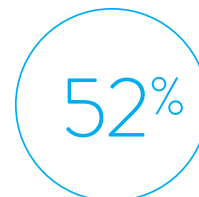


OF OVERALL GROWTH IN CONSUMER SPENDING.

Source: McKinsey & Company, 2011

### BY 2020:

THE GLOBAL MIDDLE CLASS WILL BE



OF THE WORLD'S POPULATION.

Source: Brookings Institution Press, 2010

### BY 2030:

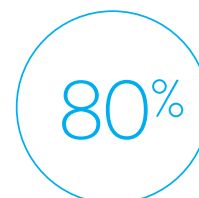
THE NUMBER OF MIDDLE-CLASS PEOPLE IN THE DEVELOPING WORLD WILL REACH



Source: World Bank

### BY 2050:

NEARLY



OF THE WORLD'S GDP GROWTH WILL OCCUR OUTSIDE EUROPE AND NORTH AMERICA.

Source: Goldman Sachs, 2013

1 McKinsey Global Institute (2011); Urban World: Mapping the Economic Power of Cities

2 The Expositions segment, an unparalleled collection of business-to-business trade shows and related properties, makes up the remaining 3% of the company's revenues.

3 Growth measured in constant currency.

WE MEASURE THE SALES OF FAST-MOVING CONSUMER GOODS REPRESENTED BY MORE THAN 18 MILLION PHYSICAL RETAIL LOCATIONS IN THE WORLD, FROM ROADSIDE STANDS TO BIG-BOX CHAINS. THAT NUMBER IS GROWING EVERY YEAR.



consumers across a multitude of different programs and campaigns, on platforms from broadcast to cable to digital to mobile, through devices from TV to tablets to smart phones, in dozens of countries. And we are constantly measuring the velocity of change, as content distribution becomes fragmented, as consumers shift their purchasing behavior, as rural consumers become urbanized and as changing demographics influence consumption.

But data alone isn't sufficient. Our ability to help clients unlock value from data has become even more important, as the world transitions from huge databases to high-volume streaming data that flows in real time. One estimate suggests that 90 percent of the world's existing data has been created *in the last two years*. Think about what that means for the years ahead, and the rich opportunities it will create for the companies in any industry who develop the ability to mine vast streams of information for competitive advantage.

Our experience also reminds us that Big Data isn't just about powerful computers processing lots of information. It is also about creating new data by sending people into places to measure activity where there is no point-of-service data capture. We are aggressive in using technology to drive accurate measurement. But much of the world is not even on the grid, let alone the Internet. Most of the world's population are not scanning items, surfing online, texting friends or swiping cards as they seek their next meal. No technology is present to help measure their activity, and yet that activity is becoming increasingly important to our clients, whether they are expanding in the developing markets they grew up in, or expanding into them from the developed world. We will go just about anywhere, using just about any technology, to expand our measurement reach. As a young Nielsen associate in India put it, "We aspire to be the guide of choice to the hotspots of the global bazaar."

## WHAT CONSUMERS BUY

Nielsen's Buy segment represented 61% of total revenues in 2012. Our retail measurement and consumer panel services help packaged goods companies and retailers determine what consumers are buying in terms of categories, brands and products. Most of the largest companies in the global consumer packaged goods industry are longstanding Nielsen clients.

We measure the sales of fast-moving consumer goods represented by more than 18 million physical retail locations in the world, from roadside stands to big-box chains. That number is growing every year. Only Nielsen collects data in approximately 100 countries on how much of any given product is sold across many diverse distribution channels, and combines it with household panel data that captures every item brought into the home to better understand product loyalty, buying behavior and purchase influences.

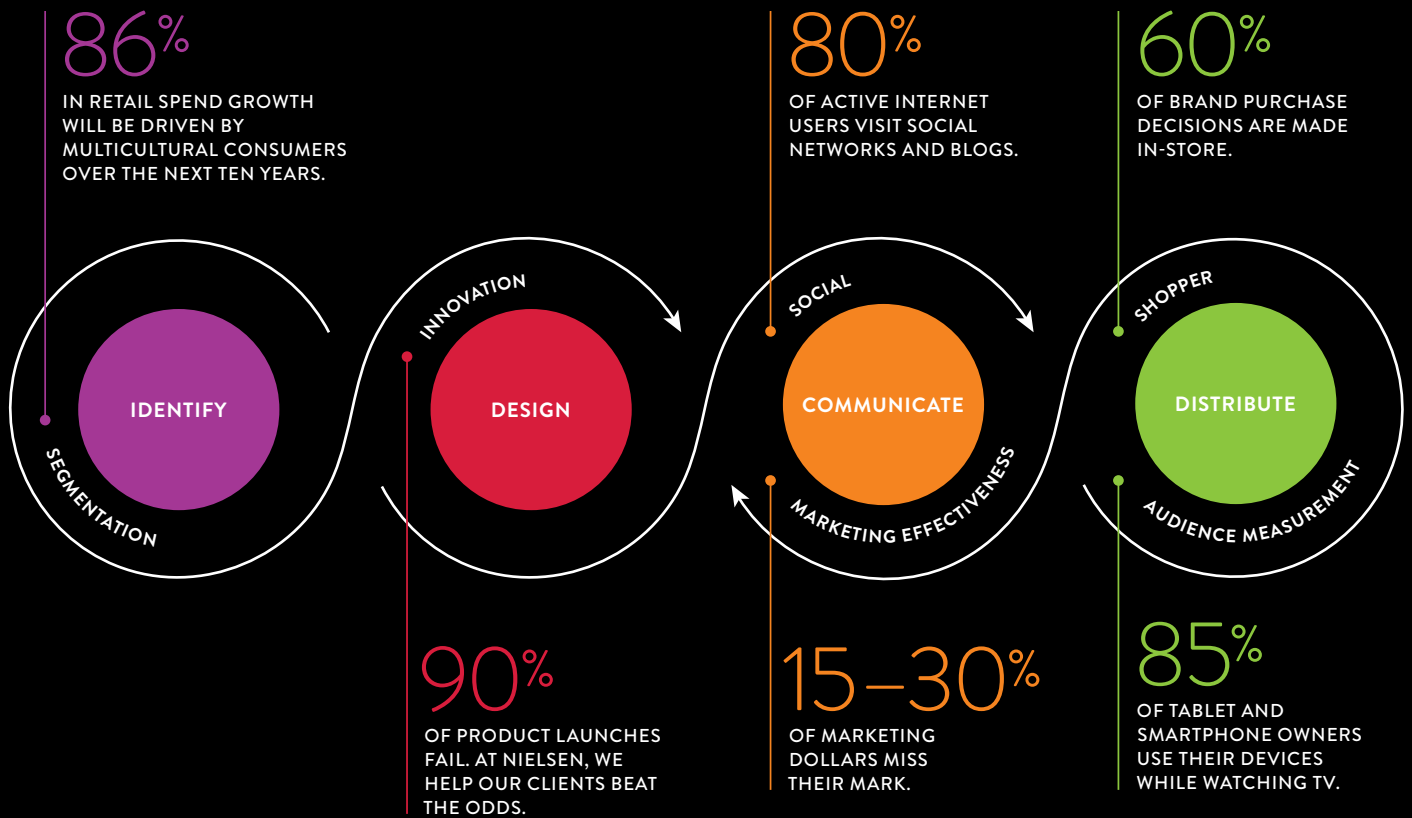
Our measurement capabilities are extensive by any assessment. But our clients constantly ask us to expand our coverage of consumer spending as they expand their own product portfolios and distribution. We are continuously building new capabilities and making additional investments to achieve this goal.

We marked many important milestones in 2012:

- **Integrating sales from the world's largest retailer:** We were delighted with Walmart's decision to resume sharing their retail sales information in the U.S. Walmart has transformed the global retail industry, and the industry at large will benefit from the more comprehensive view of U.S. retail sales their participation makes possible.
- **Expanding our global measurement footprint:** We made substantial enhancements throughout the year to our measurement of consumer shopping in China, India and Africa, to keep pace with our clients' needs in these expanding consumer markets.
- **Extending our coverage into new channels:** We invested to expand our measurement of online retail for fast-moving consumer goods. While e-commerce represents a small portion of our clients' sales, it is growing at a rapid pace. We are committed to continuing to invest in capturing data from this channel as it grows in strategic importance to both retailers and manufacturers.

# CONSUMER INSIGHTS FOR FASTER, SMARTER AND BETTER DECISIONS

Nielsen's reach, breadth and depth of expertise help deliver consistent results to clients. We provide end-to-end consumer insights, helping clients make strategic business decisions at every step of the way. Nielsen provides effective strategies that enable clients to reach their desired consumers today as well as work to evolve these strategies and identify breakthrough opportunities to stay ahead of their competitors.



## SEGMENTATION

The world is a fragmented place. Nielsen helps identify unique consumer segments that are relevant to our clients' businesses.

## SOCIAL

Nielsen provides a view into the social world by tracking social media conversations that can help media companies and advertisers understand audience engagement. Social media is changing consumer behavior and we are at the forefront of providing real-time metrics to enhance marketing strategies.

## SHOPPER

Understanding a shopper's path to purchase is critical to our retailer and manufacturing clients. Nielsen provides insights into not only who their shoppers are, but also what they are buying, where, when and why. We deliver actionable insights to meet the needs of consumers and improve the performance in stores, categories and brands.

## INNOVATION

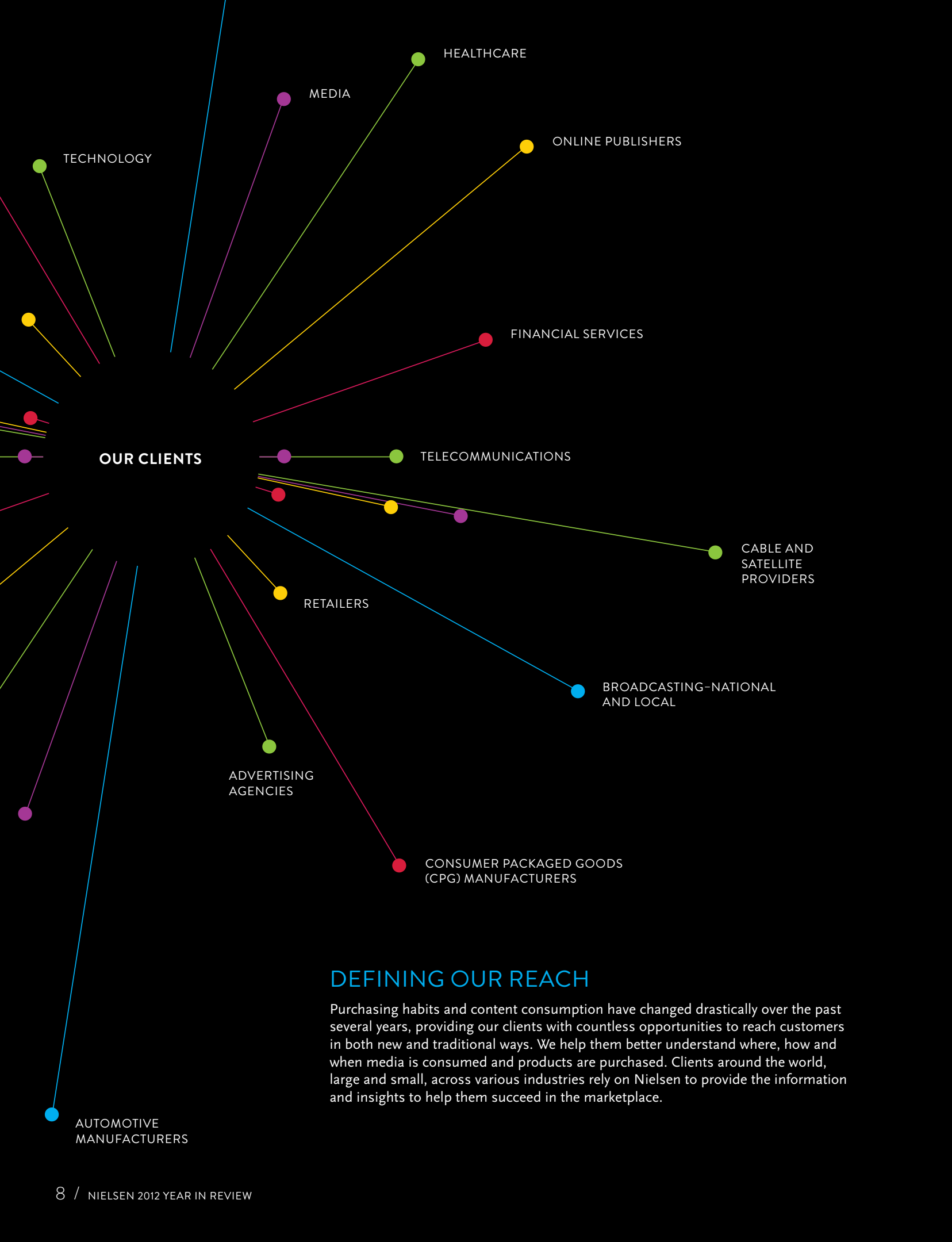
Clients rely on our ability to provide innovative approaches for successful product offerings. This not only includes insights into packaging and distribution but also a roadmap to expand offerings to meet consumer needs.

## MARKETING EFFECTIVENESS

Our insights into what customers watch and buy help manufacturers, retailers and media companies prioritize advertising spend and create effective marketing plans. We help clients determine the best strategy to reach their audience to ultimately maximize return on investment (ROI).

## AUDIENCE MEASUREMENT

Our audience measurement data provides a comprehensive view of how, when and where consumers are connecting with content. Clients rely on Nielsen to determine the best way to reach the right audience on the right platform.



**OUR CLIENTS**

TECHNOLOGY

MEDIA

HEALTHCARE

ONLINE PUBLISHERS

FINANCIAL SERVICES

TELECOMMUNICATIONS

CABLE AND SATELLITE PROVIDERS

BROADCASTING-NATIONAL AND LOCAL

RETAILERS

ADVERTISING AGENCIES

CONSUMER PACKAGED GOODS (CPG) MANUFACTURERS

AUTOMOTIVE MANUFACTURERS

**DEFINING OUR REACH**

Purchasing habits and content consumption have changed drastically over the past several years, providing our clients with countless opportunities to reach customers in both new and traditional ways. We help them better understand where, how and when media is consumed and products are purchased. Clients around the world, large and small, across various industries rely on Nielsen to provide the information and insights to help them succeed in the marketplace.



- **Creating a more detailed understanding of consumer shopping behavior:** We introduced a powerful consumer loyalty platform to U.S. retailers, with Safeway as our first client. This service, enabled by our Answers on Demand platform, provides access to billions of store transactions that can be matched to each customer segment. Retailers and manufacturers can see whether a specific product is being stocked in the right amount at the right price with the right type of promotional support to help drive loyalty for those customer segments. It also allows retailers such as Safeway to create a unique relationship with each and every one of their customers.
- **Applying neuroscience to assess consumer response:** Consumer neuroscience offers a different approach to assessing consumer responses to advertising messages and other forms of marketing. By simply measuring the brain's activities with regard to attention, emotional engagement and memory encoding, this pure form of research eliminates survey and question biases.
- **Adding category coverage:** We acquired The Perishables Group in the U.S. to add sales and market share of fresh produce, dairy and meats to a retailer's view of each store.

Measuring retail consumption may be the largest part of our Buy business, but our work providing analytical insights is also an integral part of our relationships with manufacturers and retailers. In a world where innovation is paramount, we have more than 30 years experience evaluating tens of thousands of new product concepts, helping companies make products more attractive to consumers. We also help our clients optimize the mix of product features, media spend, pricing and packaging—all to find new ways to unlock growth and deliver increased profitability to their businesses.

## WHAT CONSUMERS WATCH

Nielsen's Watch segment represented 36% of total revenues in 2012. Our measurement shows that the average consumer in the U.S. engages with media six hours per day, and it informs how advertisers, agencies and media players trade billions of advertising dollars each year. We capture what consumers are watching on a range of devices in the household: televisions, computers, tablets, smartphones, gaming consoles and other entertainment devices—any way that consumers are viewing what was once called TV, better described more broadly today as *video* content.

Our major Watch clients include most of the world's leading media companies, Silicon Valley giants and startups, digital publishers and technology players. Our audience measurements of what we call *Reach*—how many people see programming and advertising and how often they see it—facilitate commerce among advertisers, agencies, content providers, distributors, publishers and advertising platforms.

The growth opportunities inherent in our Watch businesses are easy to see. Start with the explosion in video content available from thousands of distribution channels, whether it's TV broadcasters, cable networks, subscription providers, online publishers or social networks. Now multiply that increase in video content by the ever-expanding universe of devices that can access it. Our job is to measure and analyze the total consumption of media from all of the possible distribution points.

Our *Reach* activities in 2012 included a number of important milestones:

- **Expanding the breadth of our television ratings across countries:** We now provide TV audience measurement and ratings (the reach of a program and its advertising known as Gross Ratings Points or GRPs) in 32 countries, and became the preferred measurement provider in three new markets in 2012.
- **Extending our measurement of the digital world:** We extended our reach metrics with Nielsen Online Campaign Ratings, which include digital advertising audience metrics that are directly comparable to overnight television ratings. Our digital measurement services are designed to utilize the advantages of a Big Data world, incorporating census-like measurement techniques that provide an unprecedented level of accuracy in understanding consumers' digital viewing behavior.

OUR JOB IS TO MEASURE AND ANALYZE THE TOTAL CONSUMPTION OF MEDIA FROM ALL OF THE POSSIBLE DISTRIBUTION POINTS.



Publishers and other media content owners are now using these services to provide guarantees to advertisers for the online reach of video advertising. Major advertisers and their agencies are also using these new services directly to optimize their advertising spend in the U.S. and the U.K., and we plan further expansion to other markets in 2013.

- **Adding the consumption of radio:** In December 2012 we announced an agreement to acquire Arbitron, a leader in measuring radio audiences, which will allow us to represent an additional two hours a day that consumers engage with media—most of it in automobiles, close to stores. Pending final regulatory approval, we will be excited to welcome the Arbitron team to Nielsen during 2013.

As noted earlier, we offer our Watch clients a range of analytic services that extend beyond measuring *Reach*. We also marked important milestones in 2012 in expanding our capabilities to measure *Resonance*, which is our approach for analyzing how content influences an audience:

- **Expanding our ability to measure social media impact:** We acquired SocialGuide to strengthen our ability to analyze how consumers interact with social media while watching television. These capabilities support our collaboration with Twitter to develop social TV ratings, capturing the powerful link between social media activity and television engagement as advertisers seek to measure earned media in all its forms.
- **Measuring the effectiveness of digital advertising:** Our acquisition of Vizu allows us to help advertisers and publishers assess and optimize the effectiveness of digital advertising by analyzing its impact online in real time.

*Reach* and *Resonance* tell you who saw your advertising and how well it connected with them. But to determine return on investment (ROI), you must connect what people watch with what they buy. We define this as *Reaction*, which completes the 3R model we use to assess marketing investments and return for our clients.

OUR WORK IN THESE AREAS MAKES IT CLEAR THAT MAXIMIZING MARKETING ROI IS NEVER ABOUT CHOOSING ONE ADVERTISING MEDIUM OVER ANOTHER, BUT ABOUT HOW THEY WORK TOGETHER TO ACHIEVE MARKETING GOALS.



## WHERE WATCH MEETS BUY

Because Nielsen measures both what consumers watch and what they buy, we have been able to pioneer ways to bring them together. Doing so allows us to measure *Reaction*—what viewers do after exposure to advertising. We consider this another Big Data opportunity: matching enormous consumer credit, debit and loyalty-card datasets with massive data streams of activity and information from our TV, digital and household purchase panels using stringent privacy protections. We can now show our clients how anonymous groups of consumers saw certain advertising campaigns and then bought the advertised goods.

This allows us to provide our clients with a comprehensive view on how marketing spend affects consumer actions, which they particularly value in a climate of proliferating marketing choices and shrinking marketing budgets. Nielsen aims to be the leader in *Reach*, *Resonance* and *Reaction*, leveraging the strength *Reach* provides to underpin our investments in more comprehensive *Resonance* and *Reaction* services. Our work in these areas makes it clear that maximizing marketing ROI is never about choosing one advertising medium over another, but about how they work together to achieve marketing goals.

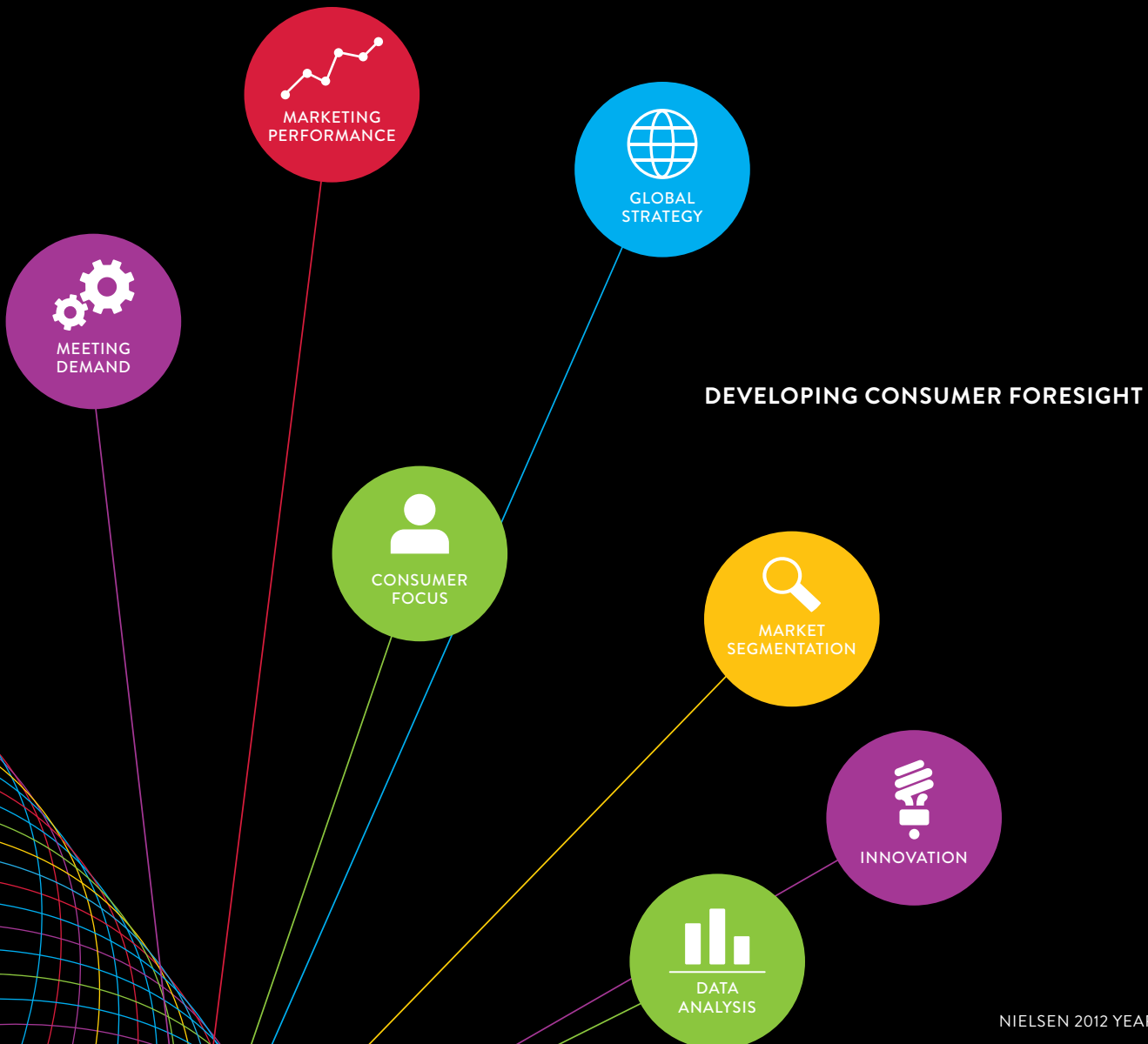
## SEEING AROUND THE NEXT CORNER

Delighting our clients compels us to continually stretch our understanding of what consumers will demand — and how companies in our industry can meet that demand with innovative products, services and technologies. During 2012 we invested in several areas to nurture innovation and help enable our clients develop consumer foresight to see around the next corner.

We launched The Demand Institute, a non-profit organization jointly founded with The Conference Board. The Institute's long-term agenda is focused on how major shifts in consumer demand across countries and industries will unlock new opportunities for business and government leaders over the next decade. The first major Demand Institute project during 2012 was an in-depth look at the U.S. housing market and its impact on adjacent industries. Future work will examine other influential global consumer markets undergoing substantial evolution or reinvention.

We also invested in several new ventures that will enable us to connect a broad and vibrant network of entrepreneurs in our industry who are leading innovation in marketing and measurement ideas and technologies. These activities include a collaboration with the Stanford Graduate School of Business to spur advancements in advertising effectiveness; a joint venture funding innovations in marketing technology with the Israeli Government and other private investors; an anchor investment in an early-stage venture fund focused on commercializing marketing technology and advertising effectiveness tools; and a Singapore-based innovation hub that seeks to help clients invest for growth in new ways across Asia.

This set of strategic investments broadens our visibility into new consumer trends and opportunities across the developed and developing world, more deeply integrates Nielsen with the entrepreneurial capabilities that surround our industry, and further supports our goal of helping our clients capitalize on the future as it arrives.



20,000

CLIENTS

35,000

ASSOCIATES

OUR VALUES REPRESENT  
A PERSONAL AND  
COLLECTIVE COMMITMENT  
TO BEING SIMPLE,  
BEING OPEN, AND  
BEING INTEGRATED IN  
EVERYTHING WE DO.

## FINANCIAL RESULTS

Our advances in our measurement and analytics capabilities help sustain our growth in revenue and profitability, our improved cash flow and our reduction in leverage. Full year 2012 revenues were \$5.6 billion, a 4 percent increase from 2011 on a constant currency basis. Adjusted EBITDA grew to 28.5 percent of total revenues. We also grew free cash flow by growing adjusted EBITDA and reducing our weighted average interest rate through debt repayment and refinancing. Our commitments to financial flexibility and cost leadership enable our ongoing investments for growth.

## LOOKING AHEAD

Our future lies directly where our 20,000 clients are headed. The heart of our business is measuring the consumption of products universally viewed as essential by consumers in any culture: food, beverages and household products as well as media and entertainment. Today's two biggest trends of global population growth and the explosion of technology adoption will be essential to the shape of the future.

Modern consumer demand in its simplest form—the exchange of money for goods—has built up over several hundred years since the invention of the first general stores and the printing press. That consumer demand constantly changes over time as our clients invent new types of stores, new products and new ways to deliver the information we all crave for understanding our world and entertaining our minds. Change that was once described as evolution has become revolution in the digital age. Fragmentation is a common way to describe the increasing variety and velocity of challenges most industry participants face.

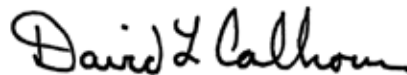
This is a world we are inspired by. Our mission demands that we keep up with consumers and measure all that they consume, through all modes of distribution, in all geographies around the world. Our clients are most interested in clarity about the rate of consumer change and in forward-looking analytics that can improve their probability of success. The world moves fast, and so must we.

• • • • •

In this digital age, where Big Data and fragmentation rule, we believe a company's values and mission provide the real keys to success. Our values represent a personal and collective commitment to being *simple*, being *open* and being *integrated* in everything we do. Beyond what we do, we must bring these values to all the great people with whom we interact: clients, partners, all members of the value chain, our communities, our shareholders and, most importantly, each other. These values are hard to achieve. Just like the consumers we measure, who strive for a better life every day, our pursuit of a more values-driven culture will sustain us in a way numerical measures alone never could.

As we look ahead, it is our team of 35,000 associates that ultimately provides us with unwavering confidence in our future. The kernels of many of our best ideas come from young people who join Nielsen as we build our businesses in vast, developing countries, reinforcing why our top priority and most important investment every year is leadership and talent development. We know if we get that right, everything else is achievable. Just as consumers know no limits, neither will Nielsen.

All of us who represent Nielsen are proud of what we accomplished together in 2012, and we look forward to helping our clients around the world achieve even greater success in 2013 and beyond.

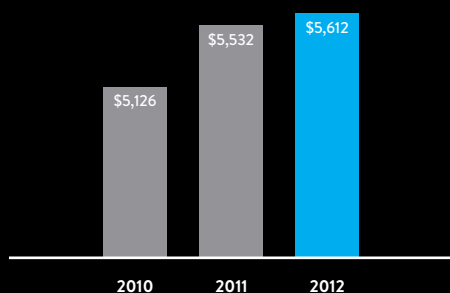


David L. Calhoun  
Chief Executive Officer

# FINANCIAL HIGHLIGHTS

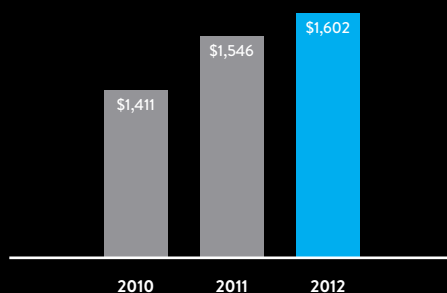
## TOTAL REVENUES

(\$ millions)

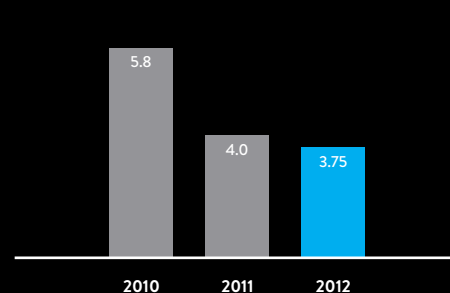


## ADJUSTED EBITDA <sup>(a)</sup>

(\$ millions)



## NET DEBT LEVERAGE RATIO <sup>(b)</sup>



## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(\$ millions)	2012	2011	2010
Net Income	\$ 273	\$ 86	\$ 132
(Income)/Loss from discontinued operations, net	—	(1)	22
Interest expense, net	409	471	655
Provision/(benefit) for income taxes	140	22	(46)
Depreciation and amortization	520	529	558
EBITDA	1,342	1,107	1,321
Equity in net income of affiliates	(5)	(3)	(5)
Other non-operating (income)/expense, net <sup>(c)</sup>	135	219	(28)
Restructuring charges	84	84	61
Stock-based compensation expense	34	27	18
Other items <sup>(d)</sup>	12	112	44
Adjusted EBITDA	\$1,602	\$1,546	\$1,411

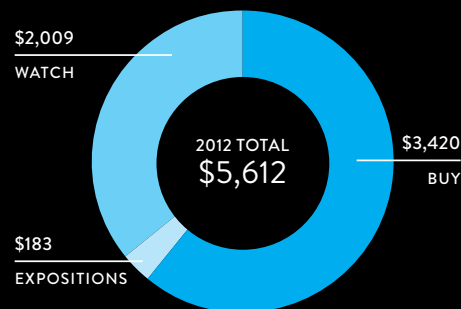
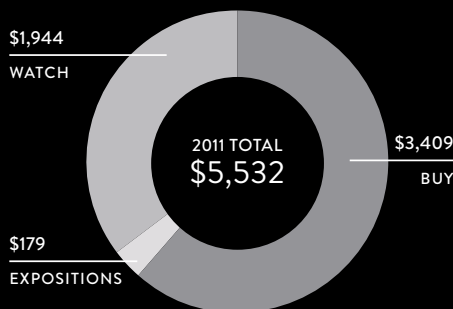
(a) Adjusted EBITDA is not a presentation made in accordance with GAAP. We use Adjusted EBITDA to consistently measure our performance from period to period both at the consolidated level as well as within our operating segments, to evaluate and fund incentive compensation programs and to compare our results to those of our competitors.

(b) The net debt leverage ratio is defined as net debt (gross debt less cash and cash equivalents) as of the balance sheet date divided by Adjusted EBITDA for the twelve months then ended.

(c) Non-operating expense for twelve months ended December 31 reflects debt extinguishment/pre-payment charges of \$121 million in 2012 and \$231 million in 2011.

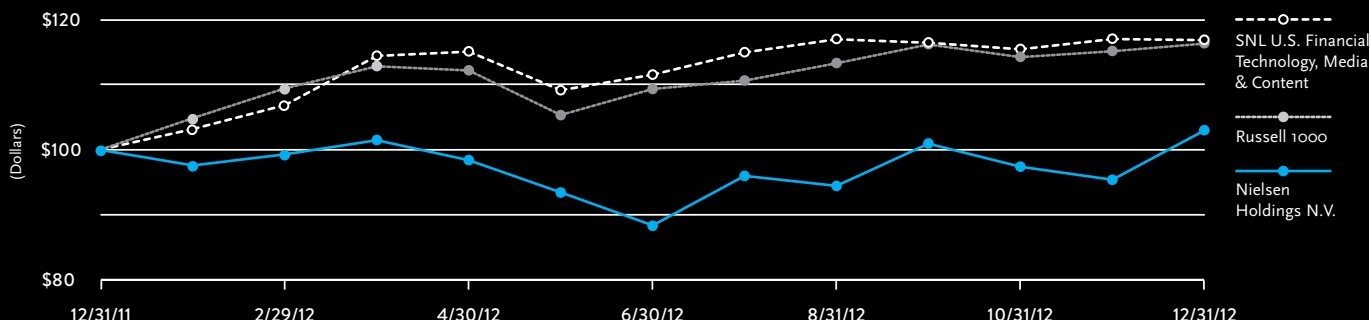
(d) Other items primarily consist of Sponsor Advisory Fees (including termination payments of \$102 million for the full year ended December 31, 2011), and costs related to public offering and other transaction-related fees.

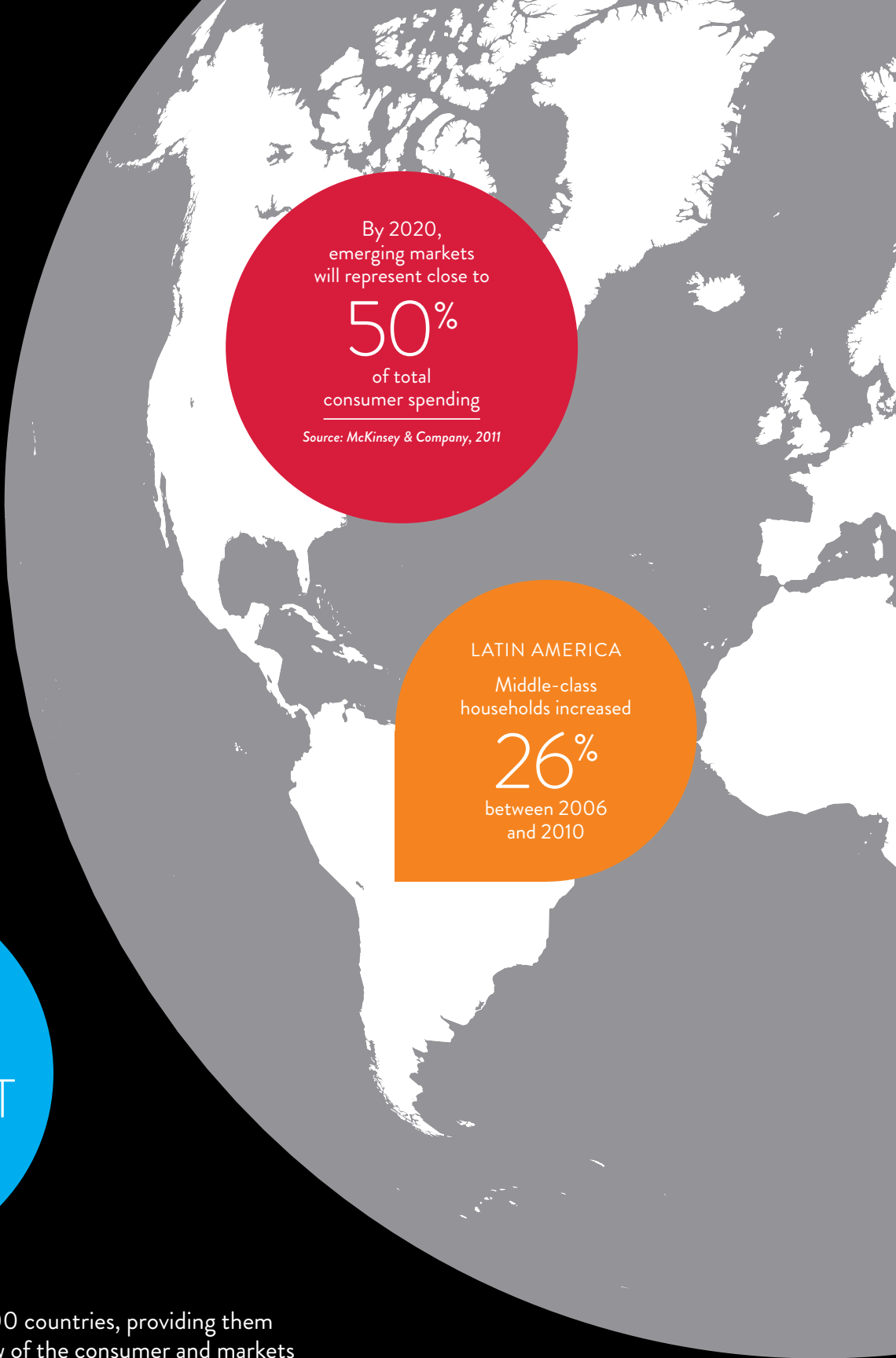
## ANNUAL SEGMENT REVENUES (\$ millions)



## TOTAL RETURN PERFORMANCE

The following graph shows a comparison of cumulative total shareholder return since year-end 2011 of our common stock, the Russell 1000 and the SNL U.S. Financial Technology, Media & Content Index. The comparison assumes that \$100 was invested in the Nielsen Holdings N.V. common stock and each of the indices as of the close of market on December 31, 2011, and that dividends were reinvested.





By 2020,  
emerging markets  
will represent close to

50%

of total  
consumer spending

Source: McKinsey & Company, 2011

LATIN AMERICA

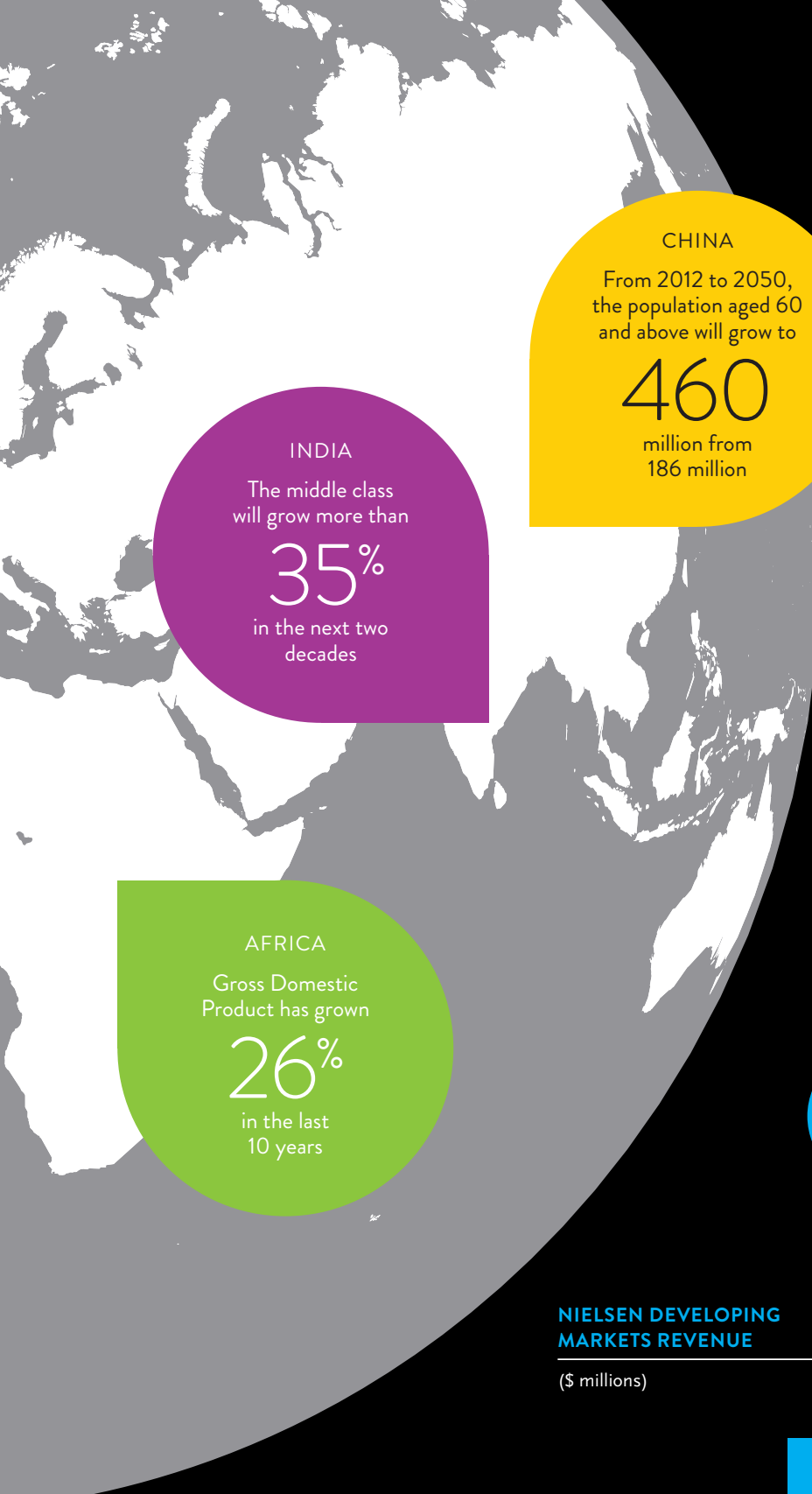
Middle-class  
households increased

26%

between 2006  
and 2010

## GLOBAL FOOTPRINT

Nielsen supports clients in over 100 countries, providing them with the most comprehensive view of the consumer and markets worldwide. Our 35,000 employees across the globe focus on creating value for our clients and the global consumers they serve. Today, clients are looking to increase their presence and business in the developing world following trends such as the growth of the middle class and demographic shifts.



**INDIA**  
 The middle class will grow more than  
**35%**  
 in the next two decades

**CHINA**  
 From 2012 to 2050, the population aged 60 and above will grow to  
**460**  
 million from 186 million

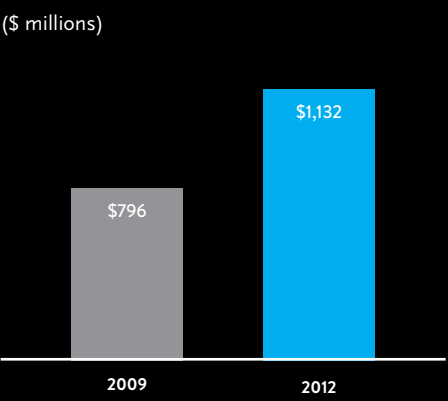
**AFRICA**  
 Gross Domestic Product has grown  
**26%**  
 in the last 10 years

## FOCUS ON DEVELOPING MARKETS

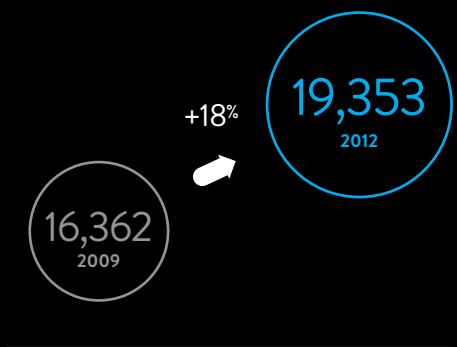
Nielsen is committed to investing in these regions to expand coverage. Whether it's improving in-store sales in China, optimizing advertising plans utilizing social media in India or understanding advertising effectiveness in Brazil, Nielsen provides the information and insights that allow clients to make meaningful business decisions every day.



### NIelsen DEVELOPING MARKETS REVENUE



### NIelsen EMPLOYEES IN DEVELOPING MARKETS



# WHAT CONSUMERS BUY

Nielsen's Buy segment provides consumer packaged goods manufacturers and retailers with the most comprehensive view of their consumers and their market activity. Operating in over 100 countries, we provide clients with measurement and analytics to enhance media, pricing and promotion strategies, optimize product innovation and performance and understand consumer shopping and purchase behaviors to win in the marketplace. Our long-lasting customer relationships demonstrate our ability to identify economic opportunity for clients and help drive growth while maximizing return on marketing investments.

## ASSORTMENT

Nielsen helps manufacturing clients find growth opportunities for their brands and product categories. We deliver insights on consumer response to changes in product assortment and analyze the incremental value of new products introduced into a particular category. We help clients optimize their product portfolio mix to manage shelf space and increase sales volume.

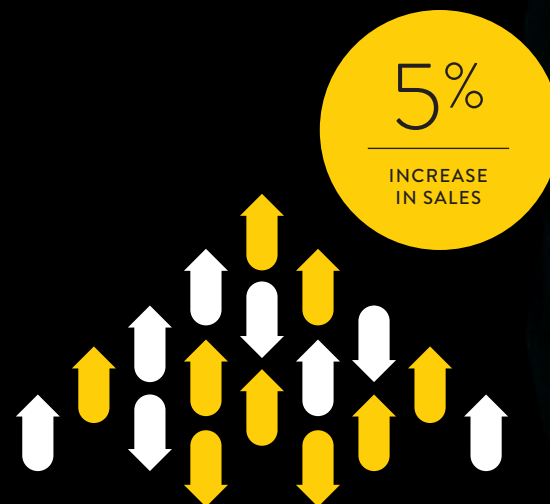
## CASE STUDY

### WHAT IS THE RIGHT PRODUCT MIX TO MAXIMIZE MY SALES?

A leader in the consumer packaged goods industry was faced with the issue of limited shelf space at many retailers due to new entrants to the category. The client wanted to grow its line of frozen food entrées without increasing its SKU count.

Nielsen conducted an extensive study of the category and helped identify products that contributed most to the brand's overall profitability.

- The client eliminated several SKUs from the store shelves and increased distribution of new products that complemented other offerings within the line.
- These changes in product portfolio expanded the client's reach into new customer segments and our insights helped increase their credibility with retailers and channel partners.



**RESULTS:** Increased sales by up to 5% in the designated retailers, without increasing its total SKU count. The product portfolio also surpassed its main competitors in sales dollars, volume and sales velocity.





## PRICING AND PROMOTION

Nielsen helps clients enhance their brands' growth by determining the right pricing and implementing the optimal in-store promotions to achieve sales and profit goals. We evaluate shopper spending habits, using a store-level modeling approach to help clients calculate the true net effect of promotions and optimize allocation of promotion spend. We help clients succeed with insights that help improve margins for their product portfolios while using pricing strategies to drive volume.

## CASE STUDY

# HOW CAN I DETERMINE THE EFFECTIVENESS OF IN-STORE PROMOTIONS AND DISPLAYS?

A multinational beverage company utilized Nielsen's store audit capabilities to analyze the impact of in-store promotions and displays within their category across a wide range of retailers.

Nielsen conducted analyses of the beverage line across hundreds of stores over a six-week period in a region selected by the client.

- The study determined that pricing variances within their category and across competitors created challenges in this market.
- Different uses of in-store promotions and displays were driving different outcomes.

**RESULTS:** Implementing a combination of demos and displays in stores increased the client's sales by 18% vs. 6% in display-only retailers.





# WHAT CONSUMERS WATCH

Nielsen's Watch segment helps media and advertising clients better understand their audiences. As consumption of media is rapidly evolving and fragmenting, Nielsen provides innovative solutions that help clients improve advertising and media plans in real time. We provide audience measurement, advertising effectiveness and analytical insights for television, digital, mobile and social activity, to help clients achieve their business objectives.

## MARKETING PERFORMANCE (ROI)

Nielsen's in-depth knowledge of what consumers buy and watch positions us to help clients understand the effectiveness of an advertising campaign. We deliver insights on reach, resonance and reaction for television, digital, mobile and social media. Advertisers gain a deeper understanding of how much and which part of their advertising dollars are working. That enables our clients to optimize marketing spend and go-to-market plans to drive profitable growth.



### REACH

Who did the program or ad reach?



### RESONANCE

Did it change attitudes?



### REACTION

Did it change behavior?

REACH

## HOW CAN I ADJUST MY ADVERTISING CAMPAIGN TO REACH MY TARGET CONSUMER?

A large beverage company used Nielsen Online Campaign Ratings to understand its campaign's true audience delivery and optimize the campaign in real time. The client discovered that only 16% of campaign impressions were reaching the intended audience, and took steps identified in collaboration with Nielsen to improve campaign effectiveness.

- Secured better placements from underperforming publishers to improve audience delivery.
- Optimized the campaign by reallocating impressions from lower to higher performing sites.

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**RESULTS:** Increased on-target impressions to 41% of the campaign, driving higher performance without incremental spend.

RESONANCE

## DID MY ADS INFLUENCE MY AUDIENCE'S OPINION OF MY BRAND?

A personal care brand ran a campaign to drive awareness for a new hair care product line. The client wanted to better understand how their campaign was influencing the viewer's opinions about the product. Nielsen provided the solution to measure and optimize brand lift in real time.

Using Nielsen Online Brand Effect, the client was able to view brand lift performance and its drivers for each of the creative components as the campaign was executed.

- The higher performing creative was driving 60% of the brand lift while the lowest performing creative was not providing any brand lift.
- The client immediately identified an opportunity to improve performance in-flight by reallocating impressions to the higher performing creative units.

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**RESULTS:** The modified campaign improved brand awareness by 53% and increased the impact of their media spend by \$100K+.

REACTION

## DID MY ADVERTISING CAMPAIGN DRIVE SALES?

A large consumer products company invested in a broad scale digital campaign targeted to reach males age 21-29. The client ran a mix of banner advertisements, online video and interactive media on multiple sites. The client wanted to determine how their campaign influenced consumer behavior.

- Nielsen tagged the digital advertisements using Nielsen Online Campaign Ratings to understand how many of the impressions reached the desired audience.
- The sales lift was measured through off-line purchase panels among people who were exposed to the ad versus those who were not exposed.

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**RESULTS:** Determined that the campaign delivered +22% sales lift among those exposed to the advertisements. Based on that insight, the client reallocated advertising spend to the higher performing ad formats and sites to achieve optimal impact on sales volumes.




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Nielsen Expositions is a leading organizer of business-to-business tradeshows, serving various industries including apparel, sports, jewelry and design. Through publications, trade shows and conferences, and digital products and services, Nielsen Expositions offers insight, analysis and face-to-face contacts to help professionals better understand their markets, serve their customers and grow their businesses.

# CORPORATE SUSTAINABILITY

Nielsen believes corporate sustainability is an opportunity to maximize our impact on the communities we live in and that we represent to our clients. Our commitment to our communities and our clients is advanced in three primary ways:

- Being a responsible supplier across environmental, social and economic dimensions
- Collaborating around key causes
- Providing marketing analytics that help clients validate and optimize their own corporate social responsibility efforts

## MAKING AN ENVIRONMENTAL, SOCIAL AND ECONOMIC IMPACT

Every day, Nielsen empowers its global associates to lead and participate in projects that make a positive impact in their communities.

### OUR CORE BUSINESS

We create products that make an uncommon impact and align our business interests with positive environmental, social and economic results.

We are making operational and cultural changes that reduce our environmental impact around the world: greening our travel, our offices and our supply chain.

### IN-KIND GIVING

We donate our services to organizations whose missions bring about positive change in our communities and who can make different uses of the information and analytics we provide.

### SKILLS-BASED VOLUNTEERING

As a global measurement provider, we identify opportunities for our employees to lend their unique skill sets to not-for-profit and community organizations, while serving as ambassadors for our brand.

### FINANCIAL CONTRIBUTIONS

On a limited basis, we contribute financially to relevant causes and encourage employees to donate as well, especially during natural disasters.

Nielsen associates are focused on making a positive social impact through the causes we know most about:



ENVIRONMENT



HUNGER & NUTRITION



TECHNOLOGY ACCESS



EDUCATION



DIVERSITY & INCLUSION

## FOCUS ON DIVERSITY AND INCLUSION

Nielsen's business is built upon increased understanding and inclusion of diverse communities everywhere we operate. We work on behalf of clients and industries, and in our own business practices. Through our Diversity & Inclusion efforts, we embrace the voices and choices of diverse people and communities via a five-prong approach: Accountability, Supplier Diversity, Retention, Career Development and Education. Specifically, our Corporate Supplier Diversity Initiative provides economic development opportunities for certified minority- and women-owned businesses, and is critical to Nielsen's success.

### GLOBAL IMPACT DAY

On June 14, 2012 we held our first global day of volunteering. In our inaugural year, more than 17,000 Nielsen associates from 80 countries stepped outside of our offices to make an impact on a scale that few companies can do. We created a library in Brazil, repaired roofs in Egypt, taught classes in nearly every country and fed the sick and malnourished in some of the most struggling places around the world.

## MEASURING IMPACT

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How do we help clients measure the impact of their cause marketing efforts on their brands?

Recently we began supporting some of our largest clients by helping them evaluate and optimize their cause marketing efforts. By strengthening the ROI of social investments, we can help brands validate and improve their efforts to make an impact.

For example, in 2012 we worked with a major consumer packaged goods company to measure the impact of a hunger relief program in the United States. We supported this client's efforts by measuring:

### CONSUMER EXPOSURES

Who did the campaign reach across paid and earned media?

### CONSUMER AWARENESS AND LINKAGE

Was the campaign memorable and strongly linked to the company's brands?

### CONSUMER IMPACT

Did the campaign influence behaviors and drive sales impact?

Quantifying the positive results provided further validation of the company's cause marketing efforts, and helped them identify opportunities to strengthen the program in the coming year. Efforts such as this make an impact with our clients *and* our communities.



THE PRIMARY  
OBJECTIVE OF MARKET  
RESEARCH IS "THE  
INCREASING OF THE  
STANDARD OF LIVING IN  
THE FREE COUNTRIES  
OF THIS WORLD."

— Arthur C. Nielsen, Sr.,  
1940

## SOME OF OUR GLOBAL PARTNERS INCLUDE:

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### A BILLION + CHANGE

In 2012, Nielsen joined a group of prominent U.S. companies committed to pro bono work in a campaign called A Billion + Change, a national campaign to mobilize billions of dollars of pro bono and skills-based service in 2013 to address core issues our communities face across the country and around the world. As a global measurement company we focused on providing organizations with information unique to Nielsen, such as data on food pricing and new research on after school STEM (Science, Technology, Engineering and Math) education programs.



### JUNIOR ACHIEVEMENT WORLDWIDE

Junior Achievement Worldwide (JA Worldwide) is a global organization dedicated to educating young people about workforce readiness, financial literacy and entrepreneurship. In 2012, Nielsen associates donated their professional skills, working with JA Worldwide in classrooms across 13 countries to reach approximately 8,000 students. We are proud to support JA Worldwide's mission to inspire and prepare young people to succeed in a global economy.



### THE WORLD FOOD PROGRAMME

Nielsen began its relationship with the World Food Programme in 2011. We continue to support its marketing and research objectives with our unique information assets and global consumer understanding to help the organization achieve its goal of ending hunger in our lifetimes.



# LEADERSHIP TEAM

A



B



C



D



E



F



G



H



I



J



- A** DAVID L. CALHOUN Chief Executive Officer
- B** SUSAN WHITING Vice Chair
- C** RICK KASH Vice Chair
- D** MITCHELL HABIB Chief Operating Officer
- E** BRIAN WEST Chief Financial Officer
- F** MITCH BARNES President, Global Client Service
- G** STEVE HASKER President, Global Product Leadership
- H** MARY LIZ FINN Chief Human Resources Officer
- I** JAMES CUMINALE Chief Legal Officer
- J** ITZHAK FISHER Executive Vice President, Global Business Development

# CORPORATE INFORMATION

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## FORM 10-K AND OTHER REPORTS:

The Form 10-K, along with other Nielsen SEC filings and corporate governance documents, are available without charge on [www.nielsen.com/investors](http://www.nielsen.com/investors).

## COMMON STOCK INFORMATION:

Nielsen's common stock trades on the New York Stock Exchange under the symbol "NLSN".

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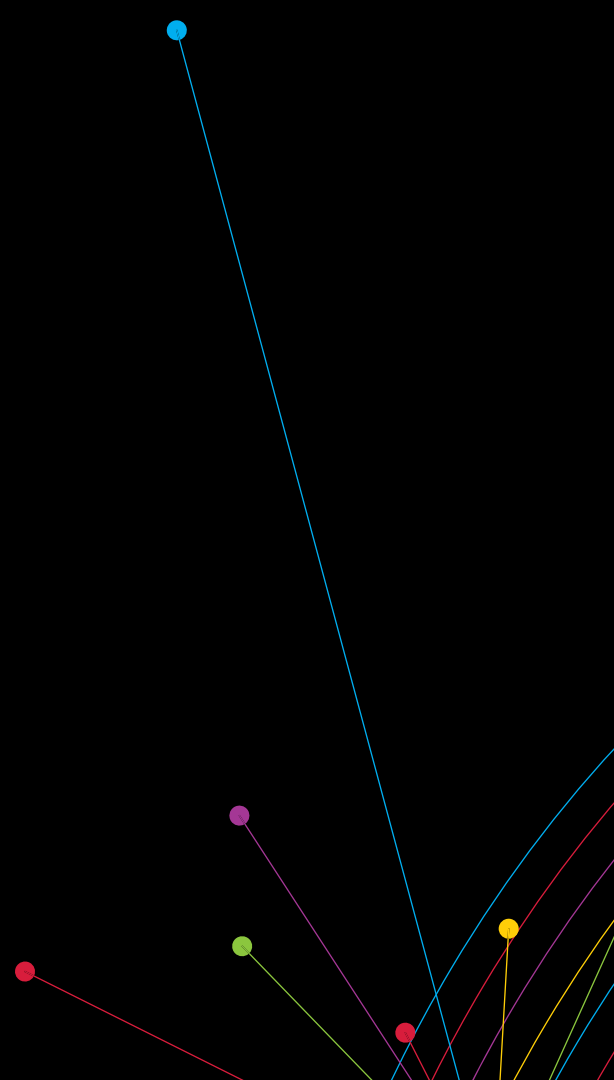
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