Nielsen N.V.
Form 10-K
February 20, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2014

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number 001-35042

Nielsen N.V.

(Exact name of registrant as specified in its charter)

The Netherlands	98-0662038
(State of incorporation)	(I.R.S. Employer Identification No.)
85 Broad Street	Diemerhof 2
New York, New York 10004	1112 XL Diemen
(646) 654-5000	The Netherlands

+31 (0) 20 398 87 77

(Address, including zip code, and telephone number, including

area code, of the registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, par value €0.07 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No þ

The aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates as of June 30, 2014, the last day of business of our most recently completed second fiscal quarter, was $14,737 million, based on the closing sale price of the registrant's common stock as reported on the New York Stock Exchange on such date of $48.41 per share.

There were 371,263,447 shares of the registrant's Common Stock outstanding as of January 31, 2015.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement of the registrant to be filed pursuant to Regulation 14A of the general rules and regulations under the Securities Exchange Act of 1934, as amended, for the 2015 annual meeting of stockholders of the registrant are incorporated by reference into Part III of this Annual Report on Form 10-K.

Table of Contents

The terms “Company,” “Nielsen,” “we,” “our” or “us,” as used herein, refer to Nielsen N.V. (formerly known as Nielsen Holdings N.V.) and our consolidated subsidiaries unless otherwise stated or indicated by context. The term “TNC B.V.,” as used herein, refers to The Nielsen Company B.V., the principal subsidiary of Nielsen.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K includes forward-looking statements. These forward-looking statements generally can be identified by the use of words such as “anticipate,” “expect,” “plan,” “could,” “may,” “will,” “believe,” “estimate,” “for “project” and other words of similar meaning. Such statements are not guarantees of future performance, events or results and involve potential risks and uncertainties. These forward-looking statements are based on our current plans and expectations and are subject to a number of known and unknown uncertainties and risks, many of which are beyond our control, which could significantly affect current plans and expectations and our future financial position and results of operations. These factors include, but are not limited to:

- the timing and scope of technological advances;
- management of ongoing organizational changes;
- consolidation in our customers’ industries that may reduce the aggregate demand for our services and put pricing pressure on us;
- customer procurement strategies that could put additional pricing pressure on us;
- general economic conditions, including the effects of the current economic environment on advertising spending levels, the costs of, and demand for, consumer packaged goods, media, entertainment and technology products and any interest rate or exchange rate fluctuations;
- goodwill and other intangible asset impairments;
- our substantial indebtedness;
- certain covenants in our debt documents and our ability to comply with such covenants;
- regulatory review by governmental agencies that oversee information gathering and changes in data protection laws;
- the ability to maintain the confidentiality of our proprietary information gathering processes and intellectual property;
- intellectual property infringement claims by third parties;
- risks to which our international operations are exposed, including local political and economic conditions, the effects of foreign currency fluctuations and the ability to comply with local laws and the ability to comply with applicable anti-bribery and economic sanctions laws;
- criticism of our audience measurement services;
- the ability to attract and retain customers, key personnel and sample participants;
- the effect of disruptions to our information processing systems;
- the effect of disruptions in the mail, telecommunication infrastructure and/or air services;
- the impact of tax planning initiatives and resolution of audits of prior tax years;
- future litigation or government investigations;
- the impact of competition;
- the financial statement impact of changes in generally accepted accounting principles; and
- the ability to successfully integrate our Company with acquired entities in accordance with our strategy.

We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this annual report on Form 10-K may not in fact occur or may prove to be materially different from the expectations expressed or implied by these forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

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PART I

Item 1. Business.
Background and Business Overview

We are a leading global performance management company. The company provides to clients a comprehensive understanding of what consumers watch and what they buy and how those choices intersect. We deliver critical media and marketing information, analytics and manufacturer and retailer expertise about what and where consumers buy (referred to herein as "Buy") and what consumers read, watch and listen to (consumer interaction across the television, radio, online and mobile viewing and listening platforms referred to herein as "Watch") on a local and global basis. Our information, insights and solutions help our clients maintain and strengthen their market positions and identify opportunities for profitable growth. We have a presence in more than 100 countries and our services cover more than 90 percent of the globe's GDP and population. We have significant investments in resources and associates all over the world, including in many emerging markets, and hold leading market positions in many of our services and geographies. Based on the strength of the Nielsen brand, our scale and the breadth and depth of our solutions, we believe we are the global leader in measuring and analyzing consumer behavior in the segments in which we operate.

We help our clients enhance their interactions with consumers and make critical business decisions that we believe positively affect their sales and profitability. Our data and analytics solutions, which have been developed through substantial investment over many decades, are deeply embedded into our clients' workflow. Our long-term client relationships are made up largely of multi-year contracts and high contract renewal rates. The average length of relationship with our top ten clients, which include The Coca-Cola Company, NBC Universal, Nestle S.A., The Procter & Gamble Company, Twenty-First Century Fox Inc. and the Unilever Group, is more than 30 years. Typically, before the start of each year, more than 70% of our annual revenue has been committed under contracts in our combined Buy and Watch segments.

We align our business into two reporting segments, Buy (consumer purchasing measurement and analytics) and Watch (media audience measurement and analytics). Our Buy and Watch segments are built on an extensive foundation of proprietary data assets designed to yield essential insights for our clients to successfully measure, analyze and grow their businesses and manage their performance. The information from our Buy and Watch segments, when brought together, can deliver powerful insights into the effectiveness of branding, advertising and consumer choice by linking media consumption trends with consumer purchasing data to better understand behavior and better manage supply and demand as well as media spend, supply chain issues, and much more. We believe these integrated insights better enable our clients to enhance the return on both long-term and short-term investments.

Our Buy segment provides retail transactional measurement data, consumer behavior information and analytics primarily to businesses in the consumer packaged goods industry. According to Deloitte, the aggregate retail revenue of the Top 250 global retailers was over $4.3 trillion in 2012. Our extensive database of retail and consumer information, combined with our advanced analytical capabilities, helps generate strategic insights that influence our clients' key business decisions. We track billions of sales transactions per month in retail outlets globally and our data is used to measure their sales and market share. We are the only company offering such extensive global coverage for the collection, provision and analysis of this information for consumer packaged goods. Our Buy services also enable our clients to better manage their brands, uncover new sources of demand, manage their supply chain issues, launch and grow new services, analyze their sales, improve their marketing mix and establish more effective consumer relationships. Within our Buy segment, we have two primary geographic groups, developed and emerging markets. Developed markets primarily include the United States, Canada, Western Europe, Japan, South Korea and Australia while emerging markets include Africa, Latin America, Eastern Europe, Russia, China, India and Southeast Asia. Our

Buy segment represented approximately 56% of our consolidated revenues in 2014.

Our Watch segment provides viewership and listening data and analytics primarily to the media and advertising industries across the television, radio, online and mobile viewing and listening platforms. According to ZenithOptimedia, a leading global media services agency, total global spending on advertising including television, radio, online and mobile platforms is projected to reach $545 billion by end of 2015.

Our Watch data is used by our media clients to understand their audiences, establish the value of their advertising inventory and maximize the value of their content, and by our advertising clients to plan and optimize their spending. In our Watch segment, our ratings are the primary metrics used to determine the value of programming and advertising in the U.S. total television advertising marketplace, which was approximately $74 billion in 2013 according to PwC/IAB. In addition to the United States, we measure television viewing in 35 other countries. We also measure markets that account for approximately 75% of global internet users and offer mobile measurement and analytic services in 60 countries, including the United States, where we are the market leader. As a result of the acquisition of Arbitron Inc. in 2013, we now measure eight hours a day per person of dynamic media consumption. This acquisition allows us to measure unmeasured areas that are important to the industries and clients we serve, like streaming audio, out-of-home measurements for television consumption and deeper measurement of multicultural audiences in the U.S. Our Watch segment represented approximately 44% of our consolidated revenue in 2014.

Our Company was founded in 1923 by Arthur C. Nielsen, Sr., who invented an approach to measuring competitive sales results that made the concept of "market share" a practical management tool. For over 90 years, we have advanced the practice of market research and media audience measurement to provide our clients a better understanding of their consumers. Our Company, incorporated in the Netherlands, was purchased on May 24, 2006 by a consortium of private equity firms (AlpInvest Partners, The Blackstone Group, The Carlyle Group, Hellman & Friedman, Kohlberg Kravis Roberts & Co. and Thomas H. Lee Partners, collectively the "Original Sponsors," and together with subsequent investor Centerview Partners, the "Sponsors"). In January 2011, our Company consummated an initial public offering of our common stock and our shares trade on the New York Stock Exchange under the symbol "NLSN". As of December 31, 2014, the Sponsors owned approximately 15% of our common stock.

Services and Solutions

What Consumers Buy

Our Buy segment provides retail transactional measurement data, consumer behavior information and analytics primarily to businesses in the consumer packaged goods industry. Within our Buy segment, in 2014, 68% of revenues came from Developed markets and 32% came from Emerging markets. For the year ended December 31, 2014, revenues from our Buy segment represented approximately 56% of our consolidated revenues. This segment has historically generated stable revenue streams that are characterized by multi-year contracts and high contract renewal rates. At the beginning of each year, over 60% of the segment's revenue base for the upcoming year is typically committed under existing agreements. Our top five segment clients represented approximately 21% of our segment revenues for the year ended December 31, 2014 and the average length of relationship with these same clients is over 30 years. No single client accounted for 10% or more of our Buy segment revenues in 2014.

Retail Measurement Services

We are a global leader in retail measurement services. Our purchasing data provides market share, competitive sales volumes, and insights into such activities as distribution, pricing, merchandising and promotion. By combining this detailed information with our in-house expertise and professional consultative services, we produce valuable insights that help our clients improve their manufacturing, marketing and sales decisions and grow their market share.

Depending on the sophistication of each country's retailer systems, we collect retail sales information from stores using electronic point-of-sale technology and/or teams of local field auditors. Stores within our worldwide retail network include grocery, drug, convenience and discount retailers, who, through various cooperation arrangements, share their sales data with us. The electronic retail sales information collected by stores through checkout scanners is transmitted directly to us. In certain emerging markets where electronic retail sales information is unavailable, we utilize field auditors to collect information through in-store inventory and price checks. For all information we collect, our stringent quality control systems validate and confirm the source data. The data is then processed into databases that clients access using our proprietary software that allows them to query the information, conduct customized analysis and generate reports and alerts.

Consumer Panel Measurement

We conduct consumer panels around the world that help our clients understand consumer purchasing dynamics at the household level. Among other things, this information offers insight into shopper behavior such as trial and repeat purchase for new products and likely substitutes, as well as customer segmentation. In addition, our panel data augments our retail measurement information providing blinded but detailed household demographics and can provide data in circumstances where we do not collect data from certain retailers.

Our consumer panels collect data from more than 250,000 household panelists across 27 countries that use in-home scanners to record purchases from each shopping trip. In the United States, for example, approximately 100,000 selected households, constituting a demographically balanced sample, participate in the panels. Data received from household panels undergo a quality control process including UPC verification and validation, before being processed into databases and reports. Clients may access these databases to perform analyses.

Analytical Services

Utilizing our foundation of consumer purchasing information, we provide a wide and growing selection of consumer intelligence and analytical services that help clients make smarter business decisions throughout their product development and marketing cycles. We draw actionable insights from our retail and consumer panel measurement data sets, our online behavioral information, as well as a variety of other proprietary data sets.

We use consumer trends and comprehensive data analysis to advise our clients across their innovation process and apply a demand-driven approach to identify unmet consumer needs so they can develop breakthrough products. We use intelligence from comprehensive retail and consumer data analysis to inform client decisions on marketing spend for media, price, promotion and assortment. We help clients influence purchase decisions that shoppers make whether pre-store, in-store or online, and provide insights on how to market effectively along a shopper's path to purchase. We also help clients drive profitable growth using demand-driven strategies that close the gap between consumer demand and sales, aligning what people want to what people buy.

What Consumers Watch

Our Watch segment provides viewership and listening data and analytics primarily to the media and advertising industries across the television, radio, digital and mobile viewing and listening platforms. For the year ended December 31, 2014, revenues from our Watch segment represented approximately 44% of our consolidated revenues. This segment has historically generated stable revenue streams that are characterized by multi-year contracts and high contract renewal rates. At the beginning of each year, over 85% of the segment's revenue base for the upcoming year is typically committed under existing agreements. Our top five clients represented 24% of segment revenues for the year ended December 31, 2014 and the average length of relationship with these same clients is more than 30 years. No customer accounted for 10% or more of our Watch segment revenues in 2014.

Television Audience Measurement Services

We are the global leader in television audience measurement. In the United States, which is by far the world's largest market for television programming, broadcasters and cable networks use our television audience ratings as the primary currency to establish the value of their airtime and more effectively schedule and promote their programming. Advertisers use this information to plan television advertising campaigns, evaluate the effectiveness of their commercial messages and negotiate advertising rates.

We provide two principal television ratings services in the United States: measurement of national television audiences and measurement of local television audiences in all 210 designated local television markets. We use various methods to collect the data from households including electronic meters, which provide minute-by-minute viewing information for next day consumption by our clients, and written diaries. These households are meticulously identified using the U.S. Census as a model in order to properly and accurately model our national and local ratings. These methods enable us to collect not only television device viewing data but also the demographics of the audience (i.e., who in the household is watching), from which we calculate statistically reliable and accurate estimates of total television viewership. We have made significant investments over decades to build an infrastructure that can accurately and efficiently track television audience viewing, a process that has become increasingly complex as the industry has converted to digital transmission and integrated new technologies allowing for developments such as time-shifted viewing.

Our measurement techniques are constantly evolving to account for new television viewing behavior, increased fragmentation and new media technologies. For example, to help advertisers and programmers understand time-shifted viewing behavior, we created the "C3" ratings, which is a measure of how many people watch commercials during live and time-shifted viewing up to three days after the program aired. The C3 rating has become the primary metric for buying and selling advertising on national broadcast television. We are expanding our television audience measurement to incorporate viewing of video-on-demand and from connected devices such as gaming consoles. We are developing and testing ways to measure how consumers watch video on tablets and other devices, to help advertising and programmers incorporate this viewing behavior into their programming and advertising plans. In the U.S., we utilize a single-source TV and PC panel to provide information to clients about simultaneous usage of more than one screen (e.g., if a consumer uses Facebook while watching a TV program), unduplicated reach (i.e., total audience net of duplication across platforms), cause and effect analysis (e.g., if a TV advertisement spurs a consumer to view a specific website online) and program viewing behavior (e.g., what platforms consumers use to view certain programming). We are working with Twitter to establish a measurement of consumer interaction with television programming and social media to address the growing interest in social TV among advertisers and media players.

We measure television viewing in 35 countries outside the United States, including Australia, Indonesia, Italy and South Korea. The international television audience measurement industry operates on a different model than in the United States. In many international markets, a joint industry committee of broadcasters in each individual country selects a single official audience measurement provider, which is designated the “currency” through an organized bidding process that is typically revisited every several years. We have strong relationships in these countries and see a significant opportunity to expand our presence into additional countries around the world.

Audio Audience Measurement Services

We provide independent measurement and consumer research primarily servicing radio, advertisers and advertising agencies in the audio industry. We estimate the size and composition of radio audiences in local markets and of audiences to network radio programming and commercials in the U.S. We refer to our local and network radio audience ratings services, collectively, as our “syndicated radio ratings services.” We provide our syndicated radio ratings services in local markets in the United States to radio broadcasters, advertising agencies, and advertisers. Our national services estimate the size and demographic composition of national radio audiences and the size and composition of audiences of network radio programs and commercials. Broadcasters use our data primarily to price and sell advertising time, and advertising agencies and advertisers use our data in purchasing advertising time.

In addition to the services described above, we also provide qualitative information about consumers, including their lifestyles, shopping patterns, and use of media in local markets and across the United States. Generally referred to as “qualitative services,” we market these services to customers of our syndicated radio ratings services who wish to demonstrate the value of their advertising propositions. We also market our quantitative and qualitative audience and consumer information to customers outside of our traditional base, such as the advertising sales organizations of local cable television companies, national cable and broadcast television networks, and out-of-home media sales organizations.

We provide software applications allowing our customers to access our proprietary databases of media and marketing information. These applications enable our customers to analyze this information more effectively for sales, management, and programming purposes. Some of our software applications also allow our customers to access data owned by third-parties, provided the customers have a separate license to use such third-party data.

We have developed our electronic Portable People Meter™ (“PPM®”) technology, which we deploy across many of our customer offerings and have licensed to other media information services companies to use in their media audience ratings services in countries outside of the United States. We have commercialized our PPM ratings service in 48 of the largest radio markets in the United States.

Digital Audience Measurement Services

We are a global provider of digital media and market research, audience analytics and social media measurement. We employ a variety of measurement offerings to provide digital publishers, internet and media companies, marketers and retailers with metrics to better understand the behavior of online audiences. Our digital measurement services have a presence in more than 40 countries including the United States, South Korea and Brazil – markets that account for approximately 75% of global internet users. Through a combination of patented panel and census data collection methods, we monitor and measure the internet surfing, online buying and video viewing (including television content) of digital audiences. We provide critical advertising metrics such as audience demographics, page and ad views, and time spent. As newer forms of digital media such as video advertising, social media and applications become a greater proportion of consumer behavior, we are transitioning our portfolio of digital services, including discontinuation of certain legacy services in certain markets and the launch of other services, to address the evolving requirements of measuring digital audiences and better serve our clients. Nielsen Social is the leading provider of social TV measurement, analytics and audience engagement solutions for TV networks, agencies and advertisers, helping the industry measure, understand and act on the activity and reach of TV-related conversation on Twitter. In addition to identifying, capturing and analyzing conversation on Twitter about every program across over 250 of the most popular U.S. television networks, Nielsen Social also tracks conversation on Twitter about over 1,500 brands on a 24/7 basis. Through our exclusive agreement with Twitter we produce Nielsen Twitter TV Ratings, the first-ever measure of the total activity and reach, as well as demographics, of TV-related conversation on Twitter.

Along with tracking Twitter TV conversation around linear airtimes, we are also now tracking Twitter TV conversation in the U.S. on a 24/7 basis for over 650 series programs, including linear and over-the-top programming such as Netflix and Hulu.

In 2014, we launched this service in two international markets, Australia and Italy, and will launch in Mexico in 2015. Internationally, we are tracking conversation on Twitter about every program across more than 200 television networks and over 750 brands.

Mobile Measurement Services

We provide independent measurement and consumer research for telecom and media companies in the mobile telecommunications industry. Clients, principally mobile carriers and device manufacturers, rely upon our data to make consumer marketing, competitive strategy and resource allocation decisions. In the United States, our metrics are a leading indicator for market share, customer satisfaction, device share, service quality, revenue share, content audience and other key performance indicators. We also benchmark the end-to-end consumer experience to pinpoint problem areas in the service delivery chain, track key performance metrics for mobile devices and identify key market opportunities (e.g., demand tracking for device features and services). To address the rapid growth of mobile internet consumption, we are expanding our capabilities to capture internet, video and other media on mobile devices. As mobile adoption continues globally, there is an opportunity for us to measure media and data content on mobile devices worldwide and to incorporate mobile measurement into a more comprehensive view of consumer media behavior. We offer mobile measurement and analytic services in 60 countries worldwide, including the United States, where we are a leader in the nascent market for mobile audience measurement, and are focused on expanding our presence in other markets.

Marketing Effectiveness

We provide a range of solutions to major advertisers, whether they are consumer packaged goods manufacturers, retailers, media companies, or other verticals such as automotive, telecom or financial services, to help validate and optimize their advertising spend. We quantify the effectiveness of advertising by reporting behavioral observations, attitudinal changes and actual offline purchase activity. We offer services specific to television, digital and social marketing to determine “resonance” or impact of specific campaigns, by measuring objectives such as breakthrough, brand recall, purchase intent and effect on product and brand loyalty. These services can also help clients determine which elements of their advertising campaigns are more or less effective, including frequency of repetition, length of commercial and context. As part of these efforts, we collect and analyze more than 16 million surveys annually to measure consumer engagement and recall of advertisements across television and online to provide important insights on advertising and content effectiveness.

We also combine intelligence on what consumers watch and buy to inform client decisions on their advertising spend. We integrate data from our Buy segment and other third party sources, including our Nielsen Catalina Solutions joint venture, with Watch data on audience exposure to help assess the effect of an advertising campaign on purchase activity. We believe these and other offerings of consumer behavior data and marketing insights can provide value to advertisers as well as media content owners and distributors, and help these clients answer some of their most important marketing questions.

Competitive Advantages

We are faced with a number of competitors in the markets in which we operate. Some of our competitors in each market may have substantially greater financial, marketing and other resources than we do and may benefit from other competitive advantages. See “Competitive Landscape” and “Risk Factors”. We face competition, which could adversely affect our business, financial condition, results of operations and cash flow. Notwithstanding the challenges presented by the competitive landscape, we believe that we have several competitive advantages, including the following:

Global Scale and Brand. We provide a breadth of information and insights about consumers covering 90 percent of all population and GDP globally. In our Buy segment, we track billions of sales transactions per month in retail outlets in more than 100 countries around the world. We also have approximately 250,000 household panelists across 27 countries. In our Watch segment, our ratings are the primary metrics used to determine the value of programming and advertising in the U.S. total television advertising marketplace, which was approximately $74 billion in 2013 according to PwC/IAB. We believe our footprint, independence, credibility and leading market positions will continue to contribute to our long-term growth and strong operating margins as the number and role of multinational companies expands. Our scale is supported by our global brand, which is defined by the original Nielsen code created by our founder, Arthur C. Nielsen, Sr.: impartiality, thoroughness, accuracy, integrity, economy, price, delivery and service.

Strong, Diversified Client Relationships. Many of the world's largest brands rely on us as their information and analytics provider to create value for their business. We maintain long-standing relationships and multi-year contracts with high renewal rates due to the value of the services and solutions we provide. In our Buy segment, our clients include the largest consumer packaged goods and merchandising companies in the world such as The Coca-Cola Company, Kraft Foods and The Procter & Gamble Company, as well as leading retail chains such as Carrefour, Kroger, Safeway, Tesco, Walgreens and Wal-Mart Stores. In our Watch segment, our client base includes leading broadcast, radio, cable and internet companies such as CBS, Clear Channel Media, Disney/ABC, Facebook, Google, Microsoft, NBC Universal/Comcast, Twenty-First Century Fox, Inc., Time Warner, Twitter, Univision and Yahoo!; leading advertising agencies such as WPP, IPG, Omnicom, and Publicis; leading telecom companies such as AT&T, Verizon, Vodafone, and Nokia; and leading automotive companies such as Chrysler, Ford and Toyota. The average length of relationship with our top 10 clients across both our Buy and Watch segments is more than 30 years. In addition, due to our growing presence in emerging markets, we have cultivated strong relationships with local market leaders that can benefit from our services as they expand globally. Our strong client relationships provide both a foundation for recurring revenues as well as a platform for growth.

Enhanced Data Assets and Measurement Science. Our extensive portfolio of transactional and consumer behavioral data across our Buy and Watch segments enables us to provide critical information to our clients. For decades, we have employed advanced measurement methodologies that yield statistically accurate information about consumer behavior while having due regard for their privacy. Our particular expertise in panel measurement includes a proven methodology to create statistically accurate research insights that are statistically representative of designated audiences. This expertise is a distinct advantage as we extrapolate more precise insights from emerging large-scale census databases to provide greater granularity and segmentation for our clients. We continue to enhance our core competency in measurement science by improving research approaches and investing in new methodologies. We have also invested significantly in our data architecture to enable the integration of distinct large-scale census data sets including those owned by third parties. We believe that our expertise, established standards and increasingly granular and comprehensive data assets provide us with a distinct advantage as we deliver more precise insights to our clients.

Innovation. We have focused on innovation to deepen our capabilities, expand in new and emerging forms of measurement, enhance our analytical offerings and capitalize on industry trends. For example, we are investing in advanced delivery technologies to extend the value of the full suite of our data assets for our clients. We have further enhanced our information and analytics delivery platform, Nielsen Answers on Demand, to enable the management of consumer loyalty programs for retailers. The continued expansion of our Nielsen Campaign Ratings service provides "reach" metrics for TV and digital campaign ratings, and can offer advertisers and media companies a unique measurement of unduplicated audiences for their advertising and programming across television and online viewing.

Scalable Operating Model. Our global presence and operating model allow us to scale our services and solutions rapidly and efficiently. We have a long track record of establishing leading services that can be quickly expanded across clients, markets and geographies. Our global operations and technology organization enables us to achieve faster, higher quality outcomes for clients in a cost-efficient manner. Our flexible architecture allows us to incorporate leading third-party technologies as well as data from external sources, and enables our clients to use our technology and solutions on their own technology platforms. In addition, we work with leading technology partners such as IBM, Tata Consultancy Services and TIBCO, which allows for greater quality in client offerings and efficiency in our global operations.

Industry Trends

We believe companies, including our clients, require an increasing amount of data and analytics to set strategy and direct operations. This has resulted in a large market for business information and insight which we believe will continue to grow. Our clients are media, advertising and consumer packaged goods companies in the large and growing markets. We believe that significant economic, technological, demographic and competitive trends facing consumers and our clients will provide a competitive advantage to our business and enable us to capture a greater share of our significant market opportunity. We may not be able to realize these opportunities if these trends do not continue or if we are otherwise unable to execute our strategies. See "Risk Factors – We may be unable to adapt to significant technological change which could adversely affect our business" and "Risk Factors – Our international operations are exposed to risks which could impede growth in the future."

Emerging markets present significant expansion opportunities. Brand marketers are focused on attracting new consumers in emerging countries as a result of the fast-paced population growth of the middle class in these regions. In addition, the retail trade in these markets is quickly evolving from small, local formats toward larger, more modern formats with electronic points of sale, a similar evolution to what occurred in developed markets over the last several decades. We provide established measurement methodologies to help give consumer packaged goods companies, retailers and media companies an accurate understanding of local consumers to allow them to harness growing consumer buying power in fast growing markets like Brazil, India and China.

Demographic shifts and changes in spending behavior are altering the consumer landscape. Consumer demographics and related trends are constantly evolving globally, leading to changes in consumer preferences and the relative size and buying power of major consumer groups. Shifts in population size, age, racial composition, family size and relative wealth are causing marketers continuously to re-evaluate and reprioritize their consumer marketing strategies. We track and interpret consumer demographics that help enable our clients to engage more effectively with their existing consumers as well as forge new relationships with emerging segments of the population.

The media landscape is dynamic and changing. Consumers are rapidly changing their media consumption patterns. The growing availability of the internet, and the proliferation of new formats and channels such as mobile devices, social networks and other forms of user-generated media have led to an increasingly fragmented consumer base that is more difficult to measure and analyze. In addition, simultaneous usage of more than one screen is becoming a regular aspect of daily consumer media consumption. We have effectively measured and tracked media consumption through numerous cycles in the industry’s evolution – from broadcast to cable, from analog to digital, from offline to online and from live to time-shifted. We believe our distinct ability to provide independent audience measurement and metrics across television, radio, online and mobile platforms helps clients better understand, adapt to and profit from the continued transformation of the global media landscape.

Consumers are more connected, informed and in control. More than three-quarters of the world's homes have access to television, there are approximately 3 billion internet users around the globe, and mobile penetration rates have reached 96% globally. Advances in technology have given consumers a greater level of control of when, where and how they consume information and interact with media and brands. They can compare products and prices instantaneously and have new avenues to learn about, engage with and purchase products and services. These shifts in behavior create significant complexities for our clients. Our broad portfolio of measurement and analytical services enables our clients to engage consumers with more impact and efficiency, influence consumer purchasing decisions and actively participate in and shape conversations about their brands.

Increasing amounts of consumer information are leading to new marketing approaches. The advent of the internet and other digital platforms has created rapid growth in consumer data that is expected to intensify as more entertainment and commerce are delivered across these platforms. As a result, companies are looking for real-time access to more granular levels of data to understand growth opportunities more quickly and more precisely. This presents a significant opportunity for us to work with companies to effectively manage, integrate and analyze large amounts of information and extract meaningful insights that allow marketers to generate profitable growth.

Consumers are looking for greater value. Economic and social trends have spurred consumers to seek greater value in what they buy as exemplified by the rising demand for "private label" (store branded) products. This increased focus on value is causing manufacturers, retailers and media companies to re-evaluate brand positioning, pricing and loyalty. We believe companies will increasingly look to our broad range of consumer purchasing insights and analytics to more precisely and effectively measure consumer behavior and target their products and marketing offers at the right place and at the right price.

Our Growth Strategy

We believe we are well-positioned for growth worldwide and have a multi-faceted strategy that builds upon our brand, strong client relationships and integral role in measuring and analyzing the global consumer. Our growth strategy is also subject to certain risks. For example, we may be unable to adapt to significant technological changes such as changes in the technology used to collect and process data or in methods of television viewing. In addition, consolidation in our customers' industries may reduce the aggregate demand for our services. See "Risk Factors."

Continue to grow in emerging markets

Emerging markets (measured in our Buy segment) comprised approximately 32% of our 2014 Buy segment revenues (18% of our 2014 consolidated revenues) and represent a significant long-term opportunity for us given the growth of the middle class and the rapid evolution and modernization of the retail trade in these regions. Currently, the middle class is expanding significantly each year on a global basis, with Africa, Brazil, Russia, India and China currently contributing nearly half of all global consumption growth. Key elements of our strategy include:

- Continuing to grow our existing services in local markets while simultaneously introducing into emerging markets new services drawn from our global portfolio;
- Partnering with existing clients as they expand their businesses into emerging markets and providing the high-quality measurement and insights to which they are accustomed; and
- Building relationships with local companies that are expanding beyond their home markets by capitalizing on the global credibility and integrity of the Nielsen brand.

Continue to develop innovative services

We intend to continue emerging our service portfolio to provide our clients with comprehensive and advanced solutions. Key elements of our strategy include:

- Further developing our analytics offerings across all facets of our client base to provide a more comprehensive offering and help our clients think through their most important challenges;
- Continuing to grow our leadership in measurement and insight services related to television, radio, digital and mobile and expanding our services in growth areas including social media to help our media clients more effectively reach their target audiences and better understand the value of their content; and

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- Continuing to expand our Marketing Effectiveness offering, which integrates our proprietary data and analytics from both the Buy and Watch segments, by emerging powerful tools to help clients better understand the effectiveness of advertising and the impact of advertising spend on consumer purchasing behavior.

Continue to attract new clients and expand existing relationships

We believe that substantial opportunities exist to both attract new clients and to increase our revenue from existing clients. Building on our deep knowledge and the embedded position of our Buy and Watch segments, we expect to sell new and innovative solutions to our new and existing clients, increasing our importance to their decision making processes.

Continue to pursue strategic acquisitions to complement our leadership positions

We have increased our capabilities through investments and acquisitions in the areas of retail measurement, U.S. and international audience measurement, and advertising effectiveness for digital and social media campaigns. Going forward, we will consider select acquisitions of complementary businesses that enhance our product and geographic portfolio and can benefit from our scale, scope and status as a global leader.

Technology Infrastructure

We operate with an extensive data and technology infrastructure utilizing nine primary data centers in seven countries around the world. Our global database has the capacity to house approximately 40 petabytes of information, with our Buy segment processing approximately 7.6 billion purchasing data points each month in 2014 and our Watch segment processing approximately 2.3 billion tuning and viewing records each month in 2014, including Nielsen Audio. Our technology infrastructure plays an instrumental role in meeting service commitments to global clients and allows us to quickly scale our services across practice areas and geographies. Our technology platform utilizes an open approach that facilitates integration of distinct data sets, interoperability with client data and technology, and partnerships with leading technology companies such as IBM, Tata Consulting Services and TIBCO.

Intellectual Property

Our patents, trademarks, trade secrets, copyrights and all of our other intellectual property are important assets that afford protection to our business. Our success depends to a degree upon our ability to protect and preserve certain proprietary aspects of our technology and our brand. To ensure that objective, we control access to our proprietary technology. Our employees and consultants enter into confidentiality, non-disclosure and invention assignment agreements with us. We protect our rights to proprietary technology and confidential information in our business arrangements with third parties through confidentiality and other intellectual property and business agreements.

We hold a number of third-party patent and intellectual property license agreements that afford us rights to third-party patents, technology and other intellectual property. Such license agreements most often do not preclude either party from licensing our patents and technology to others. Such licenses may involve one-time payments or ongoing royalty obligations, and we cannot ensure that future license agreements can or will be obtained or renewed on acceptable terms, or at all.

Employees

As of December 31, 2014, we employed approximately 42,000 people worldwide. Approximately 20% of our employees are covered under collective bargaining agreements and an additional 14% are covered under works council agreements in Europe. We may become subject to additional agreements or experience labor disruptions which may result in higher operating costs over time. We actively invest in our employee relations and believe they are solid.

Competitive Landscape

There is no single competitor that offers all of the services we offer in all of the markets in which we offer them. We have many competitors worldwide that offer some of the services we provide in selected markets. While we maintain leading positions in many markets in which we operate, our future success will depend on our ability to enhance and expand our suite of services, provide reliable and accurate measurement solutions and related information, drive innovation that anticipates and responds to emerging client needs, strengthen and expand our geographic footprint, and protect consumer privacy. See "Risk Factors – We face competition, which could adversely affect our business, financial condition, results of operations and cash flow." We believe our global presence and integrated portfolio of services are key assets in our ability to effectively compete in the marketplace. A summary of the competitive landscape for each of our segments is included below:

What Consumers Buy

While we do not have one global competitor in our Buy segment, we face numerous competitors in various areas of our service in different markets throughout the world. Competition includes companies specializing in marketing research, in-house research departments of manufacturers and advertising agencies, retailers that sell information directly or through brokers, information management and software companies, and consulting and accounting firms. In retail measurement, our principal competitor in the United States is Information Resources, Inc., which is also present in some European and Asia/Pacific markets. Our retail measurement service also faces competition in individual markets from local companies. Our consumer panel services and analytics services have many direct and/or indirect competitors in all markets around the world including in selected cases GfK, Ipsos, Kantar and local companies in individual countries.

What Consumers Watch

While we do not have one global competitor in our Watch segment, we face numerous competitors in various areas of our operations in different markets throughout the world. We are the clear market leader in U.S. television audience measurement; however, there are many emerging players and technologies that will increase competitive pressure. Numerous companies such as, Rentrak and TiVo are attempting to provide alternative forms of television audience measurement using, inter alia, set-top box data and panel-based measurement. Our principal competitor in television audience measurement outside the United States is Kantar, with companies such as GfK and Ipsos also providing competition in select individual countries.

Our primary competitor in the digital audience and campaign measurement solutions in the United States is comScore. Globally (including the United States), we face competition from additional companies that provide digital measurement and analytics services such as Oracle, Google Analytics, Adobe Analytics and IBM Digital Analytics as well as in the small but growing space of social measurement. We are the market leader in the U.S. audio audience measurement. Our principal competitors include Triton and Kantar, which are developing technologies similar to our PPM ratings service.

Regulation

Our operations are subject to and affected by data protection laws in many countries. These laws constrain whether and how we collect personal data (i.e., information relating to an identifiable individual), how that data may be used and stored, and whether, to whom and where that data may be transferred. Data collection methods that may not always be obvious to the data subject, like the use of cookies online, or that present a higher risk of abuse, such as collecting data directly from children, tend to be more highly regulated; and data transfer constraints can impact multinational access to a central database and cross-border data transfers.

Some of the personal data we collect may be considered “sensitive” by the laws of many jurisdictions because they may include certain demographic information and consumption preferences. Sensitive personal data typically are more highly regulated than non-sensitive data. Generally, this means that for sensitive data the data subject’s consent should be more explicit and fully informed and security measures surrounding the storage of the data should be more rigorous. The greater constraints that apply to the collection and use of sensitive data increase the administrative and operational burdens and costs of panel recruitment and management.

The attention privacy and data protection issues attract can offer us a competitive advantage. Because we recognize the importance of privacy to our panelists, our customers, consumers in general, and regulators, we devote dedicated resources to enhancing our privacy and security practices in our product development plans and other areas of operation, and participate in privacy policy organizations and “think tanks.” We do this to improve both our practices and the perception of Nielsen as a leader in this area.

Iran Sanctions Related Disclosure

Under the Iran Threat Reduction and Syrian Human Rights Act of 2012, which added Section 13(r) of the Exchange Act, we are required to include certain disclosures in our periodic reports if we or any of our "affiliates" knowingly engaged in certain specified activities during the period covered by the report. Because the SEC defines the term "affiliate" broadly, it includes any entity controlled by us as well as any person or entity that controls us or is under common control with us ("control" is also construed broadly by the SEC). We are not presently aware that we and our consolidated subsidiaries have knowingly engaged in any transaction or dealing reportable under Section 13(r) of the Exchange Act during the year ended December 31, 2014. In addition, we sought confirmation from companies that may be considered our affiliates as to whether they have knowingly engaged in any such reportable transactions or dealings during such period and, except as previously disclosed by us, are not presently aware of any such reportable transactions or dealings by such companies. The information included in the section entitled "Item 5. Other Information – Iran Sanctions Related Disclosure" in the registrant's quarterly reports on Form 10-Q for the quarterly periods ended March 31, June 30 and September 30, 2014 (File No. 001-35042) is incorporated herein by reference.

Recent Developments

On February 19, 2015, our Board declared a cash dividend of $0.25 per share on our common stock. The dividend is payable on March 19, 2015 to stockholders of record at the close of business on March 5, 2015.

Financial Information about Segments and Geographic Areas

See Note 17 to our consolidated financial statements – "Segments," for further information regarding our operating segments and our geographic areas.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to these reports will be made available free of charge on our website at http://www.nielsen.com as soon as reasonably practicable after we electronically file such reports with, or furnish them to, the Securities and Exchange Commission ("SEC"). Information on our website is not incorporated by reference herein and is not a part of this report.

From time to time, Nielsen may use its website and social media outlets as channels of distribution of material company information. Financial and other material information regarding the company is routinely posted and accessible on our website at http://www.nielsen.com/investors, our Twitter account at http://twitter.com/NielsenIR and our iPad App, NielsenIR, available on the App Store.

Item 1A. Risk Factors

The risks described below are not the only risks facing us. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations.

Risks Related to Our Business

We may be unable to adapt to significant technological change which could adversely affect our business.

We operate in businesses that require sophisticated data collection, processing systems, software and other technology. Some of the technologies supporting the industries we serve are changing rapidly. We will be required to adapt to changing technologies, either by developing and marketing new services or by enhancing our existing services, to meet client demand.

Moreover, the introduction of new services embodying new technologies and the emergence of new industry standards could render existing services obsolete. Our continued success will depend on our ability to adapt to changing technologies, manage and process ever-increasing amounts of data and information and improve the performance, features and reliability of our existing services in response to changing client and industry demands. We may experience difficulties that could delay or prevent the successful design, development, testing, introduction or marketing of our services. New services, or enhancements to existing services, may not adequately meet the requirements of current and prospective clients or achieve any degree of significant market acceptance.

Traditional methods of television viewing are changing as a result of fragmentation of channels and digital and other new television technologies and devices such as video-on-demand, digital video recorders, game consoles, tablets, other mobile devices and internet viewing. If we are unable to continue to successfully adapt our media measurement systems to new viewing habits, our business, financial position and results of operations could be adversely affected.

Our ability to successfully manage ongoing organizational changes could impact our business results.

We recently experienced senior leadership changes, and we continue to execute a number of significant business and organizational changes, including acquisitions, divestitures and workforce optimization projects to support our growth strategies. We expect these types of changes, which may include many staffing adjustments as well as employee departures, to continue for the foreseeable future. Successfully managing these changes, including retention of particularly key employees, is critical to our business success. We are generally a build-from-within company and our success is dependent on identifying, developing and retaining key employees to provide uninterrupted leadership and direction for our business. This includes developing organization capabilities in key growth markets where the depth of skilled or experienced employees may be limited and competition for these resources is intense. Finally, our financial targets assume a consistent level of productivity improvement. If we are unable to deliver expected productivity improvements, while continuing to invest in business growth, our financial results could be adversely impacted.

Consolidation in the consumer packaged goods, media, entertainment, telecommunications and technology industries could put pressure on the pricing of our services, thereby leading to decreased earnings.

Consolidation in the consumer packaged goods, media, entertainment, telecommunications and technology industries could reduce aggregate demand for our services in the future and could limit the amounts we earn for our services. When companies merge, the services they previously purchased separately are often purchased by the combined entity in the aggregate in a lesser quantity than before, leading to volume compression and loss of revenue. While we attempt to mitigate the revenue impact of any consolidation by expanding our range of services, there can be no assurance as to the degree to which we will be able to do so as industry consolidation continues, which could adversely affect our business, financial position and results of operations.

Client procurement strategies could put additional pressure on the pricing of our information services, thereby leading to decreased earnings.

Certain of our clients may continue to seek further price concessions from us. This puts pressure on the pricing of our information services, which could limit the amounts we earn. While we attempt to mitigate the revenue impact of any pricing pressure through effective negotiations and by providing services to individual businesses within particular groups, there can be no assurance as to the degree to which we will be able to do so, which could adversely affect our business, financial position and results of operations.

Continued adverse market conditions, particularly in the consumer packaged goods, media, entertainment, telecommunications or technology industries could adversely impact our revenue.

A number of adverse financial developments continue to impact the global financial markets. The current economic environment has witnessed continued malaise in consumer confidence and demand, impacting the demand for our customers' products and services. Those reduced demands could adversely affect the ability of some of our customers to meet their current obligations to us and hinder their ability to incur new obligations until the economy and their businesses strengthen. The inability of our customers to pay us for our services and/or decisions by current or future customers to forego or defer purchases may adversely impact our business, financial condition, results of operations, profitability and cash flows and may continue to present risks for an extended period of time. We cannot predict the impact of economic slowdowns on our future financial performance.

We expect that revenues generated from our measurement and analytical services will continue to represent a substantial portion of our overall revenue for the foreseeable future. To the extent the businesses we service, especially our clients in the consumer packaged goods, media, entertainment, telecommunications and technology industries, are subject to the financial pressures of, for example, increased costs or reduced demand for their products, the demand for our services, or the prices our clients are willing to pay for those services, may decline.

During challenging economic times, clients, typically advertisers, within our Buy segment may reduce their discretionary advertising expenditures and may be less likely to purchase our analytical services, which would have an adverse effect on our revenue.

Clients within our Watch segment derive a significant amount of their revenue from the sale or purchase of advertising. During challenging economic times, advertisers may reduce advertising expenditures and advertising agencies and other media may be less likely to purchase our media information services, which would have an adverse effect on our revenue.

Our substantial indebtedness could adversely affect our financial health.

We have now and will continue to have a significant amount of indebtedness. As of December 31, 2014, we had total indebtedness of $6,862 million. Furthermore, the interest payments on our indebtedness could reduce the availability of our cash flow.

Our substantial indebtedness could have important consequences. For example, it could:

- increase our vulnerability to the current general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, service development efforts and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- expose us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest;
- restrict us from making strategic acquisitions or causing us to make non-strategic divestitures;

- limit our ability to obtain additional financing for working capital, capital expenditures, service development, debt service requirements, acquisitions and general corporate or other purposes;
- limit our ability to adjust to changing market conditions;
- place us at a competitive disadvantage compared to our competitors that have less debt; and
- limit our ability to service our dividend and stock repurchases programs.

In addition, the indentures governing our outstanding notes and our credit facilities contain financial and other restrictive covenants that will limit the ability of our operating subsidiaries to engage in activities that may be in our best interests in the long term. The failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debt.

Despite current indebtedness levels, we and our subsidiaries may still be able to incur substantially more debt. This could further increase the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. If new debt is added to our and our subsidiaries' current debt levels, the related risks that we and they now face could intensify.

To service our indebtedness, we will require a significant amount of cash as well as continued access to the capital markets. Our ability to generate cash and our access to the capital markets depend on many factors beyond our control.

Our ability to make payments on our indebtedness and to fund planned capital expenditures and product development efforts will depend on our ability to generate cash in the future and our ability to refinance our indebtedness. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We may not be able to generate sufficient cash flow from operations to pay our indebtedness or to fund our other liquidity needs. Our cash interest expense for the years ended December 31, 2014, 2013 and 2012 was $294 million, $304 million and $384 million, respectively. At December 31, 2014, we had $3,758 million of floating-rate debt under our senior secured credit facilities of which $2,601 million (excluding $500 million of forward swaps effective after December 31, 2014) was subject to effective floating-fixed interest rate swaps. A one percent increase in interest rates applied to our floating rate indebtedness would therefore increase annual interest expense by approximately $12 million ($38 million without giving effect to any of our interest rate swaps). We may need to refinance all or a portion of our indebtedness on or before maturity. We may not be able to refinance any of our indebtedness, including our senior secured credit facilities, on commercially reasonable terms or at all. See Note 11 to our consolidated financial statements – "Long-term Debt and Other Financing Arrangements," for a description of our debt maturities.

The success of our business depends on our ability to recruit sample participants to participate in our research samples.

Our business uses scanners and diaries to gather consumer data from sample households as well as Set Meters, People Meters, Active/Passive Meters, PPM's and diaries to gather television and audio audience measurement data from sample households. It is increasingly difficult and costly to obtain consent from households to participate in the surveys. In addition, it is increasingly difficult and costly to ensure that the selected sample of households mirrors the behaviors and characteristics of the entire population and covers all of the demographic segments requested by our clients. Additionally, as consumers adopt modes of telecommunication other than traditional telephone service, such as mobile, cable and internet calling, it may become more difficult for our services to reach and recruit participants for consumer purchasing and audience measurement services. If we are unsuccessful in our efforts to recruit appropriate participants and maintain adequate participation levels, our clients may lose confidence in our ratings services and we could lose the support of the relevant industry groups. If this were to happen, our consumer purchasing and audience measurement services may be materially and adversely affected.

Data protection laws may restrict our activities and increase our costs.

Various statutes and rules regulate conduct in areas such as privacy and data protection which may affect our collection, use, storage and transfer of personally identifiable information both abroad and in the United States. Compliance with these laws may require us to make certain investments or may dictate that we not offer certain types of services or only offer such services after making necessary modifications. Failure to comply with these laws may result in, among other things, civil and criminal liability, negative publicity, data being blocked from use and liability under contractual warranties. In addition, there is an increasing public concern regarding data and consumer protection issues, and the number of jurisdictions with data protection laws has been slowly increasing. There is also the possibility that the scope of existing privacy laws may be expanded. For example, several countries, including the United States, have regulations that restrict telemarketing to individuals who request to be included on a do-not-call list. Typically, these regulations target sales activity and do not apply to survey research. If the laws were extended to include survey research, our ability to recruit research participants could be adversely affected. These or future initiatives may adversely affect our ability to generate or assemble data or to develop or market current or future services, which could negatively impact our business.

Our services involve the storage and transmission of proprietary information. If our security measures are breached and unauthorized access is obtained, our services may be perceived as not being secure and panelists and survey respondents may hold us liable for disclosure of personal data, and clients and venture partners may hold us liable or reduce their use of our services.

We store and transmit large volumes of proprietary information and data that contains personally identifiable information about individuals. Security breaches could expose us to a risk of loss of this information, litigation and possible liability and our reputation could be damaged. It may also make it more difficult to recruit panelists and survey respondents. For example, hackers or individuals who attempt to breach our network security could, if successful, misappropriate proprietary information or cause interruptions in our services. If we experience any breaches of our network security or sabotage, we might be required to expend significant capital and resources to protect against or to alleviate problems. We may not be able to remedy any problems caused by hackers or saboteurs in a timely manner, or at all. Techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target and, as a result, we may be unable to anticipate these techniques or to implement adequate preventive measures. If an actual or perceived breach of our security occurs, the perception of the effectiveness of our security measures could be harmed and we could lose current and potential clients.

If we are unable to protect our intellectual property rights, our business could be adversely affected.

The success of our business will depend, in part, on:

- obtaining patent protection for our technology and services;
- defending our patents, copyrights, trademarks, service marks and other intellectual property;
- preserving our trade secrets and maintaining the security of our know-how and data; and
- operating our business without infringing upon intellectual property rights held by third parties.

We rely on a combination of contractual provisions, confidentiality procedures and the patent, copyright, trademark and trade secret laws of the United States and other countries to protect our intellectual property. These legal measures afford only limited protection and may not provide sufficient protection to prevent the infringement, misuse or misappropriation of our intellectual property. Intellectual property law in several foreign jurisdictions is subject to considerable uncertainty. There can be no assurances that the protections we have available for our proprietary technology in the United States and other countries will be available to us in all of the places we sell our services. Any infringement or misappropriation of our technology can have a negative impact on our business. The patents we own could be challenged invalidated or circumvented by others and may not be of sufficient scope or strength to provide us with meaningful protection or commercial advantage. The expiration of our patents may lead to increased competition. Although our employees, consultants, clients and collaborators enter into confidentiality agreements with us, our trade secrets, data and know-how could be subject to unauthorized use, misappropriation or unauthorized disclosure. The growing need for global data, along with increased competition and technological advances, puts increasing pressure on us to share our intellectual property for client applications with others, which could result in infringement. Competitors may gain access to our intellectual property and proprietary information. Our trademarks could be challenged, which could force us to rebrand our services, result in a loss of brand recognition and require us to devote resources to advertising and marketing new brands. Furthermore, litigation may be necessary to enforce our intellectual property rights, to protect our trade secrets and to determine the validity and scope of our proprietary rights. Given the importance of our intellectual property, we will enforce our rights whenever it is necessary and prudent to do so. Any future litigation, regardless of the outcome, could result in substantial expense and diversion of time and attention of management, may not be resolved in our favor and could adversely affect our business.

If third parties claim that we infringe upon their intellectual property rights, our operating profits could be adversely affected.

We cannot be certain that we do not and will not infringe the intellectual property rights of others in operating our business. We may be subject to legal proceedings and claims in the ordinary course of our business, including claims that we have infringed third parties' intellectual property rights. Any such claims of intellectual property infringement, even those without merit, could:

- be expensive and time-consuming to defend;
- result in our being required to pay possibly significant damages;
- cause us to cease providing our services that incorporate the challenged intellectual property;
- require us to redesign or rebrand our services;

- divert management's attention and resources; or
- require us to enter into potentially costly royalty or licensing agreements in order to obtain the right to use a third party's intellectual property, although royalty or licensing agreements may not be available to us on acceptable terms or at all.

Any of the above could have a negative impact on our operating profits and harm our future prospects and financial condition.

We generate revenues throughout the world which are subject to exchange rate fluctuations, and our revenues and net income may suffer due to currency translations and repatriation of earnings to the U.S.

We operate globally, deriving approximately 44% of revenues for the year ended December 31, 2014 in currencies other than U.S. dollars, with approximately 11% of revenues deriving in Euros. Our U.S. operations earn revenues and incur expenses primarily in U.S. dollars, while our European operations earn revenues and incur expenses primarily in Euros. Outside the United States and the Euro Zone, we generate revenues and expenses predominantly in local currencies. Because of fluctuations (including possible devaluations) in currency exchange rates, we are subject to currency translation exposure on the profits of our operations, in addition to economic exposure. In certain instances, we may not be able to freely convert foreign currencies into U.S. dollars due to limitations placed on such conversions. Certain of the countries in which we operate, such as Venezuela, have currencies which are considered to be hyperinflationary. In February 2013, the Venezuelan government devalued its currency by 32%. The official exchange rate moved from 4.30 to 6.30 and the regulated System of Transactions with Securities in Foreign Currency market was suspended. As a result of this change, we recorded a charge of $12 million in 2013 in foreign currency exchange transaction losses, net in the consolidated statement of operations primarily reflecting the write-down of monetary assets and liabilities.

During 2014, as a result of further changes associated with the Venezuelan currency exchange rate mechanisms, we changed the exchange rate used to remeasure our Venezuelan subsidiaries' financial statements in U.S. dollars. Based on facts and circumstances present at March 31, 2014, we began using the exchange rate determined by periodic auctions for U.S. dollars conducted under Venezuela's Complementary System of Foreign Currency Administration ("SICAD I"). As a result of Exchange Agreement No. 25 between the Central Bank of Venezuela and the Venezuelan government, we believed that any future remittances for royalty and dividend payments would be transacted at the SICAD I exchange rate. Accordingly, because the equity of the Venezuelan subsidiary would be realized through the payment of royalties and dividends, the SICAD I exchange rate represented a more realistic exchange rate at which to remeasure the U.S. dollar value of the bolivar-denominated monetary assets and liabilities of our Venezuelan subsidiaries in the consolidated financial statements. However, since its implementation, we have not been successful in gaining access to U.S. dollars through SICAD I. Due to the lack of access to the SICAD I auction system, as of December 31, 2014 we decided it was more likely that we would be able to gain access to U.S. dollars through the SICAD II mechanism to settle transactions conducted by the Company in Venezuela as it was created to provide an open mechanism that permits any company to request U.S. dollars for any purpose. Accordingly, we concluded that the SICAD II exchange rate should be used to re-measure its bolivar-denominated monetary assets and liabilities as of December 31, 2014. At December 31, 2014, the SICAD II exchange rate was 50.0 bolivars to the U.S. dollar, compared with the official exchange rate of 6.3 bolivars to the U.S. dollar and the SICAD I exchange rate of 12.0 bolivars to the U.S. dollar. As a result of these changes, we recorded a pre-tax charge of $52 million for the year ended December 31, 2014 in foreign currency exchange transaction losses, net in the consolidated statement of operations, reflecting the write-down of monetary assets and liabilities in the our Venezuelan operations.

As of December 31, 2014, of the $273 million in cash and cash equivalents, approximately $264 million was held in jurisdictions outside the U.S. and as a result there may be tax consequences if such amounts were moved out of these jurisdictions or repatriated to the U.S. We regularly review the amount of cash and cash equivalents held outside of the U.S. to determine the amounts necessary to fund the current operations of our foreign operations and their growth initiatives and amounts needed to service our U.S. indebtedness and related obligations.

Our international operations are exposed to risks which could impede growth in the future.

We continue to explore opportunities in major international markets around the world, including China, Russia, India and Brazil. International operations expose us to various additional risks, which could adversely affect our business, including:

- costs of customizing services for clients outside of the United States;
- reduced protection for intellectual property rights in some countries;
- the burdens of complying with a wide variety of foreign laws;
- difficulties in managing international operations;
- longer sales and payment cycles;

- exposure to foreign currency exchange rate fluctuation;
- exposure to local economic conditions;
- limitations on the repatriation of funds from foreign operations;
- exposure to local political conditions, including adverse tax policies, civil unrest and seizure of assets by a foreign government; and
- the risks of an outbreak of war, the escalation of hostilities and acts of terrorism in the jurisdictions in which we operate.

In countries where there has not been a historical practice of using consumer packaged goods retail information or audience measurement information in the buying and selling of advertising time, it may be difficult for us to maintain subscribers.

Criticism of our audience measurement service by various industry groups and market segments could adversely affect our business.

Due to the high-profile nature of our services in the media, internet and entertainment information industries, we could become the target of criticism by various industry groups and market segments. We strive to be fair, transparent and impartial in the production of audience measurement services, and the quality of our U.S. ratings services are voluntarily subject to review and accreditation by the Media Rating Council, a voluntary trade organization, whose members include many of our key client constituencies. However, criticism of our business by special interests, and by clients with competing and often conflicting demands on our measurement service, could result in government regulation. While we believe that government regulation is unnecessary, no assurance can be given that legislation will not be enacted in the future that would subject our business to regulation, which could adversely affect our business.

A loss of one of our largest clients could adversely impact our results of operations.

Our top ten clients accounted for approximately 23% of our total revenues for the year ended December 31, 2014. We cannot assure you that any of our clients will continue to use our services to the same extent, or at all, in the future. A loss of one or more of our largest clients, if not replaced by a new client or an increase in business from existing clients, would adversely affect our prospects, business, financial condition and results of operations.

We rely on third parties to provide certain data and services in connection with the provision of our current services.

We rely on third parties to provide certain data and services for use in connection with the provision of our current services. For example, our Buy segment enters into agreements with third parties (primarily retailers of fast-moving consumer goods) to obtain the raw data on retail product sales it processes and edits and from which it creates products and services. These suppliers of data may increase restrictions on our use of such data, fail to adhere to our quality control standards, increase the price they charge us for this data or refuse altogether to license the data to us. In addition, we may need to enter into agreements with third parties to assist with the marketing, technical and financial aspects of expanding our services for other types of media. In the event we are unable to use such third party data and services or if we are unable to enter into agreements with third parties, when necessary, our business and/or our potential growth could be adversely affected. In the event that such data and services are unavailable for our use or the cost of acquiring such data and services increases, our business could be adversely affected.

We rely on a third party for the performance of a significant portion of our worldwide information technology and operations functions, various services and assistance in certain integration projects. A failure to provide these functions, services or assistance in a satisfactory manner could have an adverse effect on our business.

Pursuant to the terms of a seven-year agreement with a one-year option, effective February 2013, we are dependent upon Tata America International Corporation and Tata Consultancy Services Limited (collectively, “TCS”) for the performance of a significant portion of our information technology and operations functions worldwide, the provision of a broad suite of information technology and business process services, including general and process consulting, product engineering, program management, application development and maintenance, coding, data management, finance and accounting services and human resource services, as well as assistance in integrating and centralizing multiple systems, technologies and processes on a global scale. The success of our business depends in part on maintaining our relationships with TCS and their continuing ability to perform these functions and services in a timely and satisfactory manner. If we experience a loss or disruption in the provision of any of these functions or services, or they are not performed in a satisfactory manner, we may have difficulty in finding alternate providers on terms favorable to us, or at all, and our business could be adversely affected.

Long-term disruptions in the mail, telecommunication infrastructure and/or air service could adversely affect our business.

Our business is dependent on the use of the mail, telecommunication infrastructure and air service. Long-term disruptions in one or more of these services, which could be caused by events such as natural disasters, the outbreak of war, the escalation of hostilities, civil unrest and/or acts of terrorism, could adversely affect our business, results of operations and financial condition.

Hardware and software failures, delays in the operation of our computer and communications systems or the failure to implement system enhancements may harm our business.

Our success depends on the efficient and uninterrupted operation of our computer and communications systems. A failure of our network or data gathering procedures could impede the processing of data, delivery of databases and services, client orders and day-to-day management of our business and could result in the corruption or loss of data. While many of our services have appropriate disaster recovery plans in place, we currently do not have full backup facilities everywhere in the world to provide redundant network capacity in the event of a system failure. Despite any precautions we may take, damage from fire, floods, hurricanes, power loss, telecommunications failures, computer viruses, break-ins and similar events at our various computer facilities could result in interruptions in the flow of data to our servers and from our servers to our clients. In addition, any failure by our computer environment to provide our required data communications capacity could result in interruptions in our service. In the event of a delay in the delivery of data, we could be required to transfer our data collection operations to an alternative provider of server hosting services. Such a transfer could result in significant delays in our ability to deliver our services to our clients and could be costly to implement. Additionally, significant delays in the planned delivery of system enhancements and improvements, or inadequate performance of the systems once they are completed, could damage our reputation and harm our business. Finally, long-term disruptions in infrastructure caused by events such as natural disasters, the outbreak of war, the escalation of hostilities, civil unrest and/or acts of terrorism (particularly involving cities in which we have offices) could adversely affect our services. Although we carry property and business interruption insurance, our coverage may not be adequate to compensate us for all losses that may occur.

The presence of our Global Technology and Information Center in Florida heightens our exposure to hurricanes and tropical storms, which could disrupt our business.

The technological data processing functions for certain of our U.S. operations are concentrated at our Global Technology and Information Center (“GTIC”) at a single location in Florida. Our geographic concentration in Florida heightens our exposure to a hurricane or tropical storm. These weather events could cause severe damage to our property and technology and could cause major disruptions to our operations. Although our GTIC was built in anticipation of severe weather events and we have insurance coverage, if we were to experience a catastrophic loss, we may exceed our policy limits and/or we may have difficulty obtaining similar insurance coverage in the future. As such, a hurricane or tropical storm could have an adverse effect on our business.

Changes in tax laws and the continuing ability to apply the provisions of various international tax treaties may adversely affect our financial results and increase our tax expense.

Changes in tax laws, international treaties, regulations, related interpretations and tax accounting standards in the United States, the Netherlands and other countries in which we operate may adversely affect our financial results, particularly our income tax expense. For example, recent legislative proposals to reform U.S. taxation of non-U.S. earnings could have a material adverse effect on our financial results by subjecting a significant portion of our non-U.S. earnings to incremental U.S. taxation and/or by delaying or permanently deferring certain deductions otherwise allowed in calculating our U.S. tax liabilities. Further changes in the tax laws of foreign jurisdictions could arise as a result of the base erosion and profit shifting (BEPS) project being undertaken by the Organisation for Economic Co-operation and Development (OECD). The OECD, which represents a coalition of member countries, is contemplating changes to numerous long-standing tax principles. These contemplated changes, if finalized and adopted by countries, could increase tax uncertainty and may adversely affect our provision for income taxes. Finally, governments are increasingly considering changes to tax law regimes as a means to cover budgetary shortfalls resulting from the current economic environment. These changes could result in higher taxation to Nielsen.

We face increasing competition, which could adversely affect our business, financial condition, results of operations and cash flow.

We are faced with a number of competitors in the markets in which we operate. Some of our competitors in each market may have substantially greater financial, marketing and other resources than we do and may in the future engage in aggressive pricing action to compete with us and provide better technology. Although we believe we are currently able to compete effectively in each of the various markets in which we participate, we may not be able to do so in the future or be capable of maintaining or further increasing our current market share. Our failure to compete successfully in our various markets could adversely affect our business, financial condition, results of operations and cash flow.

We may be subject to antitrust litigation or government investigation in the future, which may result in an award of money damages or force us to change the way we do business.

In the past, certain of our business practices have been investigated by government antitrust or competition agencies, and we have on several occasions been sued by private parties for alleged violations of the antitrust and competition laws of various jurisdictions. Following some of these actions, we have changed certain of our business practices to reduce the likelihood of future litigation. Although each of these material prior legal actions have been resolved, there is a risk based upon the leading position of certain of our business operations that we could, in the future, be the target of investigations by government entities or actions by private parties challenging the legality of our business practices. Also, in markets where the retail trade is concentrated, regulatory authorities may perceive certain of our retail services as potential vehicles for collusive behavior by retailers or manufacturers. There can be no assurance that any such investigation or challenge will not result in an award of money damages, penalties or some form of order that might require a change in the way that we do business, any of which could adversely affect our revenue stream and/or profitability.

If we are unable to attract, retain and motivate employees, we may not be able to compete effectively and will not be able to expand our business.

Our success and ability to grow are dependent, in part, on our ability to hire, retain and motivate sufficient numbers of talented people, with the increasingly diverse skills needed to serve clients and expand our business, in many locations around the world. Competition for highly qualified, specialized technical and managerial, and particularly consulting personnel is intense. Recruiting, training and retention costs and benefits place significant demands on our resources. The inability to attract qualified employees in sufficient numbers to meet particular demands or the loss of a significant number of our employees could have an adverse effect on us, including our ability to obtain and successfully complete important client engagements and thus maintain or increase our revenues.

We have suffered losses due to goodwill impairment charges in the past and could do so again in the future.

Goodwill and indefinite-lived intangible assets are subject to annual review for impairment (or more frequently should indications of impairment arise). In addition, other intangible assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. As of December 31, 2014, we had goodwill and intangible assets of $12,386 million. Any downward revisions in the fair value of our reporting units or our intangible assets could result in impairment charges for goodwill and intangible assets that could materially affect our financial performance.

Failure to successfully complete or integrate acquisitions into our existing operations could have an adverse impact on our business, financial condition and results of operations.

We regularly evaluate opportunities for strategic growth through tuck-in acquisitions. Potential issues associated with these acquisitions could include, among other things, our ability to realize the full extent of the benefits or cost savings that we expect to realize as a result of the completion of the acquisition within the anticipated time frame, or at all; receipt of necessary consents, clearances and approvals in connection with the acquisition; diversion of management's attention from base strategies and objectives; and, with respect to acquisitions, including the acquisition of Arbitron, our ability to successfully combine our businesses with the business of the acquired company in a manner that permits cost savings to be realized, including sales and administrative support activities and information technology systems among our company and the acquired company, motivating, recruiting and retaining executives and key employees, conforming standards, controls, procedures and policies, business cultures and compensation structures among our company and the acquired company, consolidating and streamlining corporate and administrative infrastructures, consolidating sales and marketing operations, retaining existing customers and attracting new customers, identifying and eliminating redundant and underperforming operations and assets, coordinating geographically dispersed organizations, and managing tax costs or inefficiencies associated with integrating our operations following completion of the acquisitions. In addition, acquisitions outside of the United States increase our exposure to risks associated with foreign operations, including fluctuations in foreign exchange rates and compliance with foreign laws and regulations. If an acquisition is not successfully completed or integrated into our existing operations, our business, financial condition and results of operations could be adversely impacted.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

We lease property in approximately 600 locations worldwide. We also own eight properties worldwide, including our offices in Oxford, United Kingdom, Mexico City, Mexico and Sao Paulo, Brazil. Our leased property includes offices in New York, New York, Oldsmar, Florida and Markham, Canada. In addition, we are subject to certain covenants including the requirement that we meet certain conditions in the event we merge into or convey, lease, transfer or sell our properties or assets as an entirety or substantially as an entirety to, any person or persons, in one or a series of transactions.

Item 3. Legal Proceedings

Nielsen is subject to litigation and other claims in the ordinary course of business, some of which include claims for substantial sums. Accruals have been recorded when the outcome is probable and can be reasonably estimated. While the ultimate results of claims and litigation cannot be determined, the Company does expect that the ultimate disposition of these matters will not have a material adverse effect on its operations or financial condition. However, depending on the amount and the timing, an unfavorable resolution of some or all of these matters could materially affect the Company’s future results of operations or cash flows in a particular period.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed on the New York Stock Exchange and is traded under the symbol "NLSN." At the close of business on February 1, 2015, there were 29 stockholders of record, including our parent company, Valcon Acquisition Holding (Luxembourg) S.á.r.l ("Luxco"), which owned approximately 13% of our common stock. We believe that the number of beneficial owners is substantially greater than the number of record holders because a large portion of our common stock is held in "street name" by brokers.

The high and low reported sale prices per share for our common stock for the quarterly periods for the years ended December 31, 2014 and 2013 were as follows:

	2014		2013	
Quarterly Period	High	Low	High	Low
First	$47.45	$40.88	$35.84	$30.69
Second	$48.67	$42.54	$37.09	$33.13
Third	$49.44	$43.89	$37.30	$32.40
Fourth	$45.89	$40.56	$46.20	$35.86

In January 2013, our Board of Directors (the "Board") adopted a cash dividend policy with the present intent to pay quarterly cash dividends on our outstanding common stock. Any decision to declare and pay dividends in the future will be made at the discretion of our Board and will be subject to the Board's continuing determination that the dividend policy and the declaration of dividends thereunder are in the best interests of our shareholders, and are in compliance with all laws and agreements to which we are subject. In addition, our ability to pay dividends is limited by covenants in our senior secured credit facilities and in the indentures governing our notes. See the "Liquidity and Capital Resources" section of Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations and Note 11 to our consolidated financial statements – "Long-term Debt and Other Financing Arrangements," for a description of our senior secured credit facility, debenture loans and these dividend restrictions.

The below table summarizes the dividends declared and paid on our common stock for the years ended December 31, 2014 and 2013.

Declaration Date	Record Date	Payment Date	Dividend Per Share
January 31, 2013	March 6, 2013	March 20, 2013	$ 0.16
May 2, 2013	June 5, 2013	June 19, 2013	$ 0.16
July 25, 2013	August 28, 2013	September 11, 2013	$ 0.20
October 22, 2013	November 25, 2013	December 9, 2013	$ 0.20
February 20, 2014	March 6, 2014	March 20, 2014	$ 0.20
May 1, 2014	June 5, 2014	June 19, 2014	$ 0.25
July 24, 2014	August 28, 2014	September 11, 2014	$ 0.25
October 30, 2014	November 25, 2014	December 9, 2014	$ 0.25

No dividends were paid on our common stock during the year ended December 31, 2012.

In July 2013, our Board approved a share repurchase program for up to $500 million of our outstanding common stock. The primary purpose of the program is to mitigate dilution associated with our equity compensation plans. In addition, in October 2014 we announced that our board of directors approved a new share repurchase program for up to an additional $1 billion of our outstanding common stock. Repurchases under these plans will be made in accordance with applicable securities laws from time to time in the open market or otherwise depending on our evaluation of market conditions and other factors. This program will be executed within the limitations of the existing authority granted at the 2014 Annual General Meeting of Shareholders. During the fourth quarter 2014, we repurchased a total of 9,284,871 shares of our common stock for $391 million at an average price of $42.12 per share. The activity during the fourth quarter of 2014 consisted of open market share repurchases and is summarized in the following table:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Dollar Value of Shares that may yet be Purchased under the Plans or Programs
October 1-31	223,047	$ 42.72	223,047	$ 1,404,363,449
November 1-30	5,387,545	$ 41.09	5,387,545	$ 1,182,970,041
December 1 - 31	3,674,279	$ 43.58	3,674,279	$ 1,022,830,101
Total fourth quarter 2014	9,284,871	$ 42.12	9,284,871	

Subsequent Event

On February 19, 2015, our Board declared a cash dividend of $0.25 per share on our common stock. The dividend is payable on March 19, 2015 to stockholders of record at the close of business on March 5, 2015.

Dividend Tax

In general, the Company must withhold tax (dividend tax) from dividends distributed on our common stock at the rate of 15 percent.

Dividends include, without limitation:

(i) Distributions of profits (including paid-in capital not recognized for dividend tax purposes) in cash or in kind, including deemed and constructive dividends;
(ii) liquidation distributions and, generally, proceeds realized upon a repurchase of our common stock by the Company or upon the transfer of our common stock to a direct or indirect subsidiary of the Company, in excess of the average paid-in capital recognized for dividend tax purposes, with the exception of a repurchase that qualifies as a temporary portfolio investment (e.g. with a view to meeting obligations under an employee stock-option plan) or in certain specific cases where a specific statutory exemption applies;
(iii) the par value of our common stock issued or any increase in the par value of our common stock, except where such (increase in) the par value of our common stock is funded out of the Company's paid-in capital recognized for dividend tax purposes; and
(iv) repayments of paid-in capital recognized for dividend tax purposes up to the amount of the Company's profits (zuivere winst) unless the Company's general meeting of stockholders has resolved in advance that the Company shall make such repayments and the par value of our common stock concerned has been reduced by a

corresponding amount through an amendment of the Company's articles of association.

A holder of our common stock which is, or is deemed to be, resident in the Netherlands for the relevant tax purposes, is generally entitled to credit the dividend tax withheld against such holder's liability to tax on income and capital gains or, in certain cases, to apply for a full refund of the withheld dividend tax.

A holder of our common stock which is not, is not deemed to be, and, in case the holder is an individual, has not elected to be treated as, resident in the Netherlands for the relevant tax purposes, may be eligible for a partial or full exemption or refund of the dividend tax under an income tax convention in effect between the Netherlands and the holder's country of residence.

In addition, generally a non-resident holder of our common stock that is not an individual may be entitled to an exemption from dividend withholding tax, provided that the following tests are satisfied:

(i) such holder is, according to the tax law of a member state of the European Union or a state designated by ministerial decree that is a party to the agreement regarding the European Economic Area, resident in such state and is not transparent for tax purposes according to the tax law of such state;
(ii) any one or more of the following threshold conditions are satisfied:
(a) at the time the dividend is distributed by us, such holder has shares representing at least 5 percent of our nominal paid up capital;
(b) such holder has held shares representing at least 5 percent of our nominal paid-up capital for a continuous period of more than one year at any time during the four years preceding the time the dividend is distributed by us;
(c) such holder is connected with us within the meaning of article 10a, paragraph 4, of the Dutch Corporation Tax Act 1969 (Wet op de vennootschapsbelasting 1969); or
(d) an entity connected with such holder within the meaning of article 10a, paragraph 4, of the Dutch Corporation Tax Act 1969 (Wet op de vennootschapsbelasting 1969) holds at the time the dividend is distributed by us, shares representing at least 5 percent of our nominal paid up capital;
(iii) such holder is not considered to be resident outside the member states of the European Union or the states designated by ministerial decree that are a party to the agreement regarding the European Economic Area, under the terms of a double taxation treaty concluded with a third state; and
(iv) such holder does not perform a similar function as an investment institution (beleggingsinstelling) as meant by article 6a or article 28 of the Dutch Corporation Tax Act 1969 (Wet op de vennootschapsbelasting 1969).

Dividend distributions to a U.S. holder of our common stock (with an interest of less than 10 percent of the voting rights in our common stock) are subject to 15 percent dividend withholding tax, which is equal to the rate such U.S. holder may be entitled to under the current income tax treaty between the Netherlands and the United States (the "Treaty"). As such, there is no need to claim a refund of the excess of the amount withheld over the Treaty rate.

On the basis of article 35 of the Treaty, qualifying U.S. pension trusts are under certain conditions entitled to a full exemption from or refund of Netherlands dividend withholding tax.

Under the terms of domestic anti-dividend stripping rules, a recipient of dividends distributed on our common stock will not be entitled to an exemption from, reduction, refund, or credit of dividend tax if the recipient is not the beneficial owner of such dividends as meant in those rules.

Investors are advised to consult their professional advisers as to the tax consequences of purchase, ownership and disposition of our common stock.

Item 6. Selected Financial and Other Data
The following table sets forth selected historical consolidated financial data as of the dates and for the periods indicated. The selected consolidated statement of operations data for the years ended December 31, 2014, 2013 and 2012 and selected consolidated balance sheet data as of December 31, 2014 and 2013 have been derived from our audited consolidated financial statements and related notes appearing elsewhere in this Form 10-K. The selected consolidated statement of operations data for the years ended December 31, 2011 and 2010 and selected consolidated balance sheet data as of December 31, 2012, 2011 and 2010 have been derived from our audited consolidated financial statements, which are not included in this annual report on Form 10-K.

The results of operations for any period are not necessarily indicative of the results to be expected for any future period. The audited consolidated financial statements, from which the historical financial information for the periods set forth below have been derived, were prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The selected historical consolidated financial data set forth below should be read in conjunction with, and are qualified by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes thereto appearing elsewhere in this annual report on Form 10-K.

In March 2013, we completed the exit and shut down of one of our legacy online businesses and, in June 2013, we completed the sale of our Expositions business. These businesses are reported as discontinued operations, which requires retrospective restatement of prior periods to classify operating results of these businesses as discontinued operations. See "Item 7. Management Discussion and Analysis of Financial Condition and Results of Operations" for more information.

(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)	Year Ended December 31,				
	2014[(1)]	2013[(2)]	2012[(3)]	2011[(4)]	2010[(5)]
Statement of Operations Data:					
Revenues	$6,288	$5,703	$5,407	$5,328	$4,935
Depreciation and amortization[(6)]	573	510	493	502	530
Operating income	1,089	861	880	726	673
Interest expense	300	309	390	449	619
Income from continuing operations	381	431	242	61	146
Income/(loss) from discontinued operations	—	305	30	26	(13)
Income from continuing operations per common share (basic)	1.01	1.16	0.67	0.17	0.53
Income from continuing operations per common share (diluted)	1.00	1.14	0.66	0.17	0.52
Cash dividends declared per common share	0.95	0.72	—	—	0.03

(IN MILLIONS)	December 31, 2014	2013	2012	2011	2010
Balance Sheet Data:					
Total assets	$15,376	$15,530	$14,585	$14,504	$14,429
Long-term debt including capital leases	6,862	6,640	6,579	6,762	8,550

(1)

Income for year ended December 31, 2014 included $89 million in restructuring charges, $97 million of charges associated with certain debt retirement transactions and a $52 million charge associated with the change to the Venezuelan currency exchange rate mechanism.

(2) Income for year ended December 31, 2013 included $119 million in restructuring charges.

(3) Income for year ended December 31, 2012 included $85 million in restructuring charges and $121 million of charges associated with certain debt retirement transactions.

(4) Income for year ended December 31, 2011 included $83 million in restructuring charges and $333 million of charges associated with the initial public offering of the Company's common stock and related debt retirement transactions and Sponsor agreement termination payments.

(5) Income for the year ended December 31, 2010 included $59 million in restructuring charges, $136 million of foreign currency transaction gains and $90 million of charges associated with certain debt retirement transactions.

(6) Depreciation and amortization expense included charges for the depreciation and amortization of tangible and intangible assets acquired in business combinations of $204 million, $162 million, $145 million, $161 million and $196 million for the years ended December 31, 2014, 2013, 2012, 2011 and 2010, respectively.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
Introduction

The following discussion and analysis should be read together with the accompanying consolidated financial statements and related notes thereto. Further, this report may contain material that includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect, when made, Nielsen's current views with respect to current events and financial performance. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, those described in "Item 1A. Risk Factors." Statements, other than those based on historical facts, which address activities, events or developments that we expect or anticipate may occur in the future are forward-looking statements. Such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to Nielsen's operations and business environment that may cause actual results to be materially different from any future results, express or implied, by such forward-looking statements. See "Cautionary Statement Regarding Forward Looking Statements" in Part I of this Annual Report on Form 10-K. The terms "Company," "Nielsen," "we," "our" or "us," as used herein, refer to Nielsen N.V. and its consolidated subsidiaries unless otherwise stated or indicated by context.

Background and Executive Summary

We are a global information and measurement company that provides clients with a comprehensive understanding of consumers and consumer behavior. We deliver critical media and marketing information, analytics and industry expertise about what consumers buy (referred to herein as "Buy") and what consumers watch and listen to (consumer interaction across the television, radio, online and mobile viewing and listening platforms referred to herein as "Watch") on a global and local basis. Our measurement and analytical services help our clients maintain and strengthen their market positions and identify opportunities for profitable growth. We have a presence in more than 100 countries, including many emerging markets, and hold leading market positions in many of our services and geographies.

On September 30, 2013, we completed the acquisition of Arbitron Inc., an international media and marketing research firm through the purchase of 100% of Arbitron's outstanding common stock for a total cash purchase price of $1.3 billion. Arbitron is expected to help us better address client needs in unmeasured areas of media consumption, including streaming audio and out-of-home, and our global distribution footprint can help expand Arbitron's capabilities outside of the U.S. With Arbitron's assets, we intend to further expand our Watch segment's audience measurement across screens and forms of listening. Arbitron has been rebranded Nielsen Audio.

On February 3, 2014, we completed the acquisition of Harris Interactive, Inc., a leading global market research firm, through the purchase of all outstanding shares of Harris Interactive's common stock for a total purchase price of $116 million. Harris Interactive is expected to expand our footprint with important industry verticals including pharmaceutical, automobile and financial services.

We believe that important measures of our results of operations include revenue, operating income and Adjusted EBITDA (defined below). Our long-term financial objectives include consistent revenue growth and expanding operating margins. Accordingly, we are focused on geographic market and service offering expansion to drive revenue growth and improving operating efficiencies including effective resource utilization, information technology leverage and overhead cost management.

Our business strategy is built upon a model that has traditionally yielded consistent revenue performance. Typically, before the start of each year, more than 70% of our annual revenue has been committed under contracts in our combined Buy and Watch segments, which provides us with a high degree of stability to our revenue and allows us to effectively manage our profitability and cash flows. We continue to look for growth opportunities through global expansion, specifically within emerging markets, as well as through the cross-platform expansion of our analytical services and measurement services.

Our restructuring and other productivity initiatives have been focused on a combination of improving operating leverage through targeted cost-reduction programs, business process improvements and portfolio restructuring actions, while at the same time investing in key programs to enhance future growth opportunities.

Achieving our business objectives requires us to manage a number of key risk areas. Our growth objective of geographic market and service expansion requires us to maintain the consistency and integrity of our information and underlying processes on a global scale, and to invest effectively our capital in technology and infrastructure to keep pace with our clients' demands and our competitors. Our operating footprint across approximately 100 countries requires disciplined global and local resource management of internal and third party providers to ensure success. In addition, our high level of indebtedness requires active management of our debt profile, with a focus on underlying maturities, interest rate risk, liquidity and operating cash flows.

Business Segment Overview

We align our business into two reporting segments: what consumers buy (consumer purchasing measurement and analytics), and what consumers watch and listen to (media audience measurement and analytics). Our Buy and Watch segments are built on a foundation of proprietary data assets that are designed to yield essential insights for our clients to successfully measure, analyze and grow their businesses.

Our Buy segment provides measurement services, which include our core tracking and scan data (primarily transactional measurement data and consumer behavior information), and analytical services to businesses in the consumer packaged goods industry. Our services also enable our clients to better manage their brands, uncover new sources of demand, launch and grow new products, analyze their sales, improve their marketing mix and establish more effective consumer relationships. Our data is used by our clients to measure their market share, tracking billions of sales transactions per month in retail outlets around the world. Our extensive database of retail and consumer information, combined with our advanced analytical capabilities, helps generate strategic insights that influence our clients' key business decisions. Within our Buy segment, we have two primary geographic groups, developed and emerging markets. Developed markets primarily include the United States, Canada, Western Europe, Japan, Australia and South Korea while emerging markets include Africa, Latin America, Eastern Europe, Russia, China, India and Southeast Asia.

Our Watch segment provides viewership and listening data and analytics primarily to the media and advertising industries for television, radio, digital and mobile viewing and listening platforms. Our Watch data is used by our media clients to understand their audiences, establish the value of their advertising inventory and maximize the value of their content, and by our advertising clients to plan and optimize their spending.

In June 2013, we completed the sale of our Expositions reporting segment (see "Discontinued Operations" discussion included in "Factors Affecting Our Financial Results" for more information). Our consolidated statements of operations reflect the Expositions reporting segment as a discontinued operation.

Certain corporate costs, other than those described above, including those related to selling, finance, legal, human resources, and information technology systems, are considered operating costs and are allocated to our segments based on either the actual amount of costs incurred or on a basis consistent with the operations of the underlying segment.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and the related disclosure of contingent assets and liabilities. The most significant of these policies relate to: revenue recognition; business combinations including purchase price allocations; accruals for pension costs and other post-retirement benefits; accounting for income taxes; and valuation of long-lived assets including goodwill and indefinite-lived intangible assets, computer software and stock-based compensation. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the valuation of assets and liabilities that are not readily apparent from other sources. We evaluate these estimates on an ongoing basis. Actual results could vary from these estimates under different assumptions or conditions. For a summary of the significant accounting policies, including critical accounting policies discussed below, see Note 1 – "Description of Business, Basis of Presentation and Significant Accounting Policies" – to our consolidated financial statements.

Revenue Recognition

We recognize revenues when persuasive evidence of an arrangement exists, services have been rendered or information has been delivered, the fee is fixed or determinable and the collectability of the related revenue is reasonably assured.

A significant portion of our revenue is generated from information (primarily retail measurement and consumer panel services) and measurement (primarily from television, radio, internet and mobile audiences) services. We generally recognize revenue from the sale of services as the services are performed and delivered to the consumer, which is usually ratably over the term of the contract(s). Invoiced amounts are recorded as deferred revenue until earned. Substantially all of our customer contracts are non-cancelable and non-refundable.

Certain of our revenue arrangements include multiple deliverables and in these arrangements, the individual deliverables within the contract that have stand-alone value to the customer are separated and recognized upon delivery based upon our best estimate of their selling prices. These arrangements are not significant to our results of operations. In certain cases, software is included as part of these arrangements to allow our customers to view delivered information and is provided for the term of the arrangement and is not significant to the marketing effort and is not sold separately. Accordingly, software provided to our customers is considered to be incidental to the arrangements and is not recognized as a separate element.

A discussion of our revenue recognition policies, by segment, follows:

Buy

Revenue from our Buy segment, primarily from retail measurement services and consumer panel services, is recognized over the period during which the services are performed and information is delivered to the customer, primarily on a straight line basis.

We also provide insights and solutions to customers through analytical studies that are recognized into revenue as value is delivered to the customer. The pattern of revenue recognition for these contracts varies depending on the terms of the individual contracts, and may be recognized proportionally or deferred until the end of the contract term and recognized when the information has been delivered to the customer.

Watch

Revenue from our Watch segment is primarily generated from television, radio, online and mobile measurement services and recognized over the contract period, as the service is delivered to the customer, primarily on a straight-line basis.

Stock-Based Compensation

Expense Recognition

Our stock-based compensation programs are comprised of both stock options and restricted stock units (“RSUs”). We measure the cost of all stock-based payments, including stock options, at fair value on the grant date and recognize such costs within the consolidated statements of operations; however, no expense is recognized for stock-based payments that do not ultimately vest. We recognize expense associated with stock-based payments that vest upon a single date using the straight-line method. For those that vest over time, an accelerated graded vesting is used. We recorded $47 million, $47 million and $34 million of expense associated with stock-based compensation for the years ended December 31, 2014, 2013 and 2012, respectively. As of December 31, 2014, the aggregate grant date fair value of all outstanding vested and unvested options was $57 million and $47 million, respectively. As of December 31, 2014, approximately $27 million of unearned stock-based compensation related to unvested RSUs (net of estimated forfeitures) is expected to be recognized over a weighted average period of 3.2 years.

Fair Value Measurement

Determining the fair value of stock-based awards at the grant date requires considerable judgment. Stock-based compensation expense for time-based stock options is primarily based on the estimated grant date fair value using the Black-Scholes option pricing model, which considers factors such as estimating the expected term of stock options, expected volatility of our stock, and the number of stock-based awards expected to be forfeited due to future terminations. Some of the critical assumptions used in estimating the grant date fair value are presented in the table below:

Year Ended December 31,

	2014	2013	2012
Expected life (years)	3.00-5.25	3.50-6.00	3.50 - 6.00
Risk-free interest rate	0.87%-1.66 %	0.40%-1.99 %	0.38% - 0.83 %
Expected dividend yield	1.77% - 2.39 %	0% - 2.19 %	0 %
Expected volatility	23.50%-25.32%	25.40%-27.60%	28.00% - 30.30%
Weighted-average volatility	23.89 %	25.89 %	28.56 %

We consider several factors in estimating the expected life of our options granted, including the expected lives used by a peer group of companies and the historical option exercise behavior of our employees, which we believe are representative of future behavior. For 2014 and 2013, expected volatility was based on our historical volatility. For 2012, because of the Company’s limited trading history, expected volatility was based on a combination of the estimates of implied volatility of our peer group, our historical volatility adjusted for leverage and the implied volatility based on trading Nielsen call options.

In addition, for stock-based awards where vesting is dependent upon achieving certain operating performance goals, we estimate the likelihood of achieving the performance goals. The total number of performance restricted shares to be earned is subject to achievement of cumulative performance goals for the three year period. Forty percent of the target award will be determined based on the Company’s relative total shareholder return and sixty percent of the target award will be determined based on free cash flow achievements. The maximum payout is 200% of target. The fair value of the target award related to free cash flow was the fair value on the date of the grant, and the fair value of the target awards related to relative shareholder return was based on the Monte Carlo model. Differences between actual results and these estimates could have a material effect on our financial results.

The assumptions used in calculating the fair value of stock-based awards represent our best estimates and, although we believe them to be reasonable, these estimates involve inherent uncertainties and the application of management's judgment. If factors change and we employ different assumptions in the application of our option-pricing model in future periods or if we experience different forfeiture rates, the compensation expense that is derived may differ significantly from what we have recorded in the current year.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill and other indefinite-lived intangible assets are stated at historical cost less accumulated impairment losses, if any.

Goodwill and other indefinite-lived intangible assets, consisting of certain trade names and trademarks, are each tested for impairment on an annual basis and whenever events or circumstances indicate that the carrying amount of such asset may not be recoverable. We have designated October 1st as the date in which the annual assessment is performed as this timing corresponds with the development of our formal budget and business plan review. We review the recoverability of our goodwill by comparing the estimated fair values of reporting units with their respective carrying amounts. We established, and continue to evaluate, our reporting units based on our internal reporting structure and define such reporting units at our operating segment level or one level below. The estimates of fair value of a reporting unit are determined using a combination of valuation techniques, primarily by an income approach using a discounted cash flow analysis and supplemented by a market-based approach.

A discounted cash flow analysis requires the use of various assumptions, including expectations of future cash flows, growth rates, discount rates and tax rates in developing the present value of future cash flow projections. Many of the factors used in assessing fair value are outside of the control of management, and these assumptions and estimates can change in future periods. Changes in assumptions or estimates could materially affect the determination of the fair value of a reporting unit, and therefore could affect the amount of potential impairment. The following assumptions are significant to our discounted cash flow analysis:

- Business projections – expected future cash flows and growth rates are based on assumptions about the level of business activity in the marketplace as well as applicable cost levels that drive our budget and business plans. The budget and business plans are updated at least annually and are frequently reviewed by management and our board of directors. Actual results of operations, cash flows and other factors will likely differ from the estimates used in our valuation, and it is possible that differences and changes could be material. A deterioration in profitability, adverse market conditions and a slower or weaker economic recovery than currently estimated by management could have a significant impact on the estimated fair value of our reporting units and could result in an impairment charge in the future. Should such events or circumstances arise, management would evaluate other options available at that time that, if executed, could result in future profitability.
- Long-term growth rates – the assumed long-term growth rate representing the expected rate at which a reporting unit's earnings stream, beyond that of the budget and business plan period, is projected to grow. These rates are used to calculate the terminal value, or value at the end of the future earnings stream, of our reporting units, and are added to the cash flows projected for the budget and business plan period. The long-term growth rate for each reporting unit is influenced by general market conditions as well as factors specific to the reporting unit such as the maturity of the underlying services. The long-term growth rates we used for each of our reporting units in our 2014 evaluation was 3%.

- Discount rates – the reporting unit's combined future cash flows are discounted at a rate that is consistent with a weighted-average cost of capital that is likely to be used by market participants. The weighted-average cost of capital is our estimate of the overall after-tax rate of return required by equity and debt holders of a business enterprise. The discount rate for each reporting unit is influenced by general market conditions as well as factors specific to the reporting unit. The discount rates we used in our 2014 evaluation of our reporting units were between 8.5% and 11.5%.

These estimates and assumptions vary between each reporting unit depending on the facts and circumstances specific to that unit. We believe that the estimates and assumptions we made are reasonable, but they are susceptible to change from period to period.

We also use a market-based approach in estimating the fair value of our reporting units. The market-based approach utilizes available market comparisons such as indicative industry multiples that are applied to current year revenue and earnings as well as recent comparable transactions.

To validate the reasonableness of the reporting unit fair values, we reconcile the aggregate fair values of our reporting units to our enterprise market capitalization. Enterprise market capitalization includes, among other factors, the market value of our common stock and the appropriate redemption values of our debt.

During 2014 we updated our reporting structure in a manner that changed the composition of our reporting units. As a result of this change in reporting units, we performed an interim goodwill impairment analysis during 2014 immediately prior to the change and determined the estimated fair values of the impacted reporting units exceeded their carrying value (including goodwill). As such, there was no impairment as a result of this change.

We did not have any indicators of impairment during the year ended December 31, 2014 that would require us to perform an interim impairment assessment. Our annual impairment assessment, performed as of October 1, 2014, was based on the updated reporting structure and resulted in no impairment. Further all four reporting units have fair values exceeding carrying values by at least 20% as of the annual impairment assessment date.

We perform sensitivity analyses on our assumptions, primarily around both long-term growth rate and discount rate assumptions. Our sensitivity analyses include several combinations of reasonably possible scenarios with regard to these assumptions. However, we consistently test a one percent movement in both our long-term growth rate and discount rate assumptions. When applying these sensitivity analyses, we noted that the fair value was greater than the underlying book value for all of our reporting units. While management believes that these sensitivity analyses provide a reasonable basis on which to evaluate the recovery of our goodwill, other facts or circumstances may arise that could impact the impairment assessment and therefore these analyses should not be used as a sole predictor of impairment.

The impairment test for other indefinite-lived intangible assets consists of a comparison of the fair value of the intangible asset with its carrying amount. If the carrying amount of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. The estimates of fair value of trade names and trademarks are determined using a “relief from royalty” discounted cash flow valuation methodology. Significant assumptions inherent in this methodology include estimates of royalty rates and discount rates. Discount rate assumptions are based on an assessment of the risk inherent in the respective intangible assets. Assumptions about royalty rates are based on the rates at which comparable trade names and trademarks are being licensed in the marketplace.

Pension Costs

We provide a number of retirement benefits to our employees, including defined benefit pension plans and post-retirement medical plans. Pension costs, in respect of defined benefit pension plans, primarily represent the increase in the actuarial present value of the obligation for pension benefits based on employee service during the year and the interest on this obligation in respect of employee service in previous years, net of the expected return on plan assets. Differences between this expected return and the actual return on these plan assets and actuarial changes are not recognized in the statement of operations, unless the accumulated differences and changes exceed a certain threshold. The excess is amortized and charged to the statement of operations over, at the maximum, the average remaining term of employee service. We recognize obligations for contributions to defined contribution pension plans as expenses in the statement of operations as they are incurred.

The determination of benefit obligations and expenses is based on actuarial models. In order to measure benefit costs and obligations using these models, critical assumptions are made with regard to the discount rate, the expected return on plan assets, the assumed rate of compensation increases and longevity changes in the local jurisdictions. We provide retiree medical benefits to a limited number of participants in the U.S. and have ceased to provide retiree health care benefits to certain of our Dutch retirees. Therefore, retiree medical care cost trend rates are not a significant driver of our post retirement costs. Management reviews these critical assumptions at least annually. Other assumptions involve demographic factors such as turnover, retirement and mortality rates. Management reviews these assumptions periodically and updates them as necessary.

The discount rate is the rate at which the benefit obligations could be effectively settled. For our U.S. plans, the discount rate is based on a bond portfolio that includes only long-term bonds with an Aa rating, or equivalent, from a major rating agency. For the Dutch and other non-U.S. plans, the discount rate is set by reference to market yields on high-quality corporate bonds. We believe the timing and amount of cash flows related to the bonds in these portfolios are expected to match the estimated payment benefit streams of our plans.

To determine the expected long-term rate of return on pension plan assets, we consider, for each country, the structure of the asset portfolio and the expected rates of return for each of the components. For our U.S. plans, a 50 basis point decrease in the expected return on assets would increase pension expense on our principal plans by approximately $1 million per year. A similar 50 basis point decrease in the expected return on assets would increase pension expense on our principal Dutch plans by approximately $3 million per year. We assumed that the weighted-averages of long-term returns on our pension plans were 6.0%, 6.0% and 6.2% for the years ended December 31, 2014, 2013 and 2012, respectively. The actual return on plan assets will vary year to year from this assumption. Although the actual return on plan assets will vary from year to year, we believe it is appropriate to use long-term expected forecasts in selecting our expected return on plan assets. As such, there can be no assurance that our actual return on plan assets will approximate the long-term expected forecasts.

Income Taxes

We have a presence in more than 100 countries. We have completed many material acquisitions and divestitures which have generated complex tax issues requiring management to use its judgment to make various tax determinations. We try to organize the affairs of our subsidiaries in a tax efficient manner, taking into consideration the jurisdictions in which we operate. Although we are confident that tax returns have been appropriately prepared and filed, there is risk that additional tax may be assessed on certain transactions or that the deductibility of certain expenditures may be disallowed for tax purposes. Our policy is to estimate tax risk to the best of our ability and provide accordingly for those risks and take positions in which a high degree of confidence exists that the tax treatment will be accepted by the tax authorities. The policy with respect to deferred taxation is to provide in full for temporary differences using the liability method.

Deferred tax assets and deferred tax liabilities are computed by assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The carrying value of deferred tax assets is adjusted by a valuation allowance to the extent that these deferred tax assets are not considered to be realized on a more likely than not basis. Realization of deferred tax assets is based, in part, on our judgment and various factors including reversal of deferred tax liabilities, our ability to generate future taxable income in jurisdictions where such assets have arisen and potential tax planning strategies. Valuation allowances are recorded in order to reduce the deferred tax assets to the amount expected to be realized in the future.

The Company records a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. Such tax positions are, based solely on their technical merits, more likely than not to be sustained upon examination by taxing authorities and reflect the largest amount of benefit, determined on a cumulative probability basis that is more likely than not to be realized upon settlement with the applicable taxing authority with full knowledge of all relevant information. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense.

Long-Lived Assets

We are required to assess whether the value of our long-lived assets, including our buildings, improvements, technical and other equipment, and amortizable intangible assets have been impaired whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. We do not perform a periodic assessment of assets for impairment in the absence of such information or indicators. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used or a significant adverse change that would indicate that the carrying amount of an asset or group of assets is not recoverable. Recoverability of assets that are held and used is measured by comparing the sum of the future undiscounted cash flows expected to be derived from an asset (or a group of assets) to their carrying value. If the carrying value of the asset (or the group of assets) exceeds the sum of the future undiscounted cash flows, impairment is considered to exist. If impairment is considered to exist based on undiscounted cash flows, the impairment charge is measured using an estimation of the assets' fair value, typically using a discounted cash flow method. The identification of impairment indicators, the estimation of future cash flows and the determination of fair values for assets (or groups of assets) requires us to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows and applicable discount rates. These estimates are subject to revision as market conditions and our assessments change. No impairment indicators were noted for the years ended December 31, 2014, 2013 and 2012.

We capitalize software development costs with respect to major internal use software initiatives or enhancements. The costs are capitalized from the time that the preliminary project stage is completed, and we consider it probable that the software will be used to perform the function intended until the time the software is placed in service for its intended use. Once the software is placed in service, the capitalized costs are generally amortized over periods of three to seven years. If events or changes in circumstances indicate that the carrying value of software may not be recovered, a recoverability analysis is performed based on estimated undiscounted cash flows to be generated from the software in the future. If the analysis indicates that the carrying value is not recoverable from future cash flows, the software cost is written down to estimated fair value and an impairment is recognized. These estimates are subject to revision as market conditions and as our assessments change. Impairment charges for the year ended December 31, 2014 were insignificant.

Factors Affecting Nielsen's Financial Results

Acquisitions and Investments in Affiliates

Arbitron Inc.

On September 30, 2013, we completed the acquisition of Arbitron, through the purchase of 100% of Arbitron's outstanding common stock for a total cash purchase price of $1.3 billion. Arbitron is expected to help us better address client needs in unmeasured areas of media consumption, including streaming audio and out-of-home, and our global distribution footprint can help expand

Arbitron's capabilities outside of the U.S. With Arbitron's assets, we intend to further expand our Watch segment's audience measurement across screens and forms of listening. Arbitron has been rebranded Nielsen Audio.

As part of the acquisition, we acquired the remaining 49.5% interest in Scarborough Research, a joint venture between us and Arbitron ("Scarborough") that we historically accounted for under the equity method of accounting. We accounted for this transaction as a step-acquisition and calculated the fair value of the investment immediately before the acquisition to be $75 million. As a result, during the third quarter of 2013, we recorded a $24 million gain on the investment in Scarborough to other expense, net in the consolidated statement of operations. Commencing October 1, 2013, the financial results of Scarborough were included within our consolidated financial statements.

The acquisition was accounted for using the acquisition method of accounting which requires, among other things, the assets acquired and the liabilities assumed be recognized at their fair values as of the acquisition date. Since the date of the acquisition occurred on the last day of the third quarter of 2013, the financial results of Arbitron were included within our consolidated financial statements commencing October 1, 2013. Our consolidated statement of operations for the year ended December 31, 2013 includes $134 million of revenues related to the Arbitron acquisition.

The purchase price was allocated based upon the fair value of the assets acquired and liabilities assumed at the date of acquisition. The following table summarizes the purchase price allocation:

(IN MILLIONS)	
Fair value of business combination:	
Cash paid for Arbitron common stock	$1,296
Accrued payment for directors' and employees' equity awards pertaining to pre-merger service	42
Accrued dividend payment on Arbitron common stock	3
Fair value of previously held equity interest in Scarborough	75
Total	$1,416
Identifiable assets acquired and liabilities assumed:	
Cash	$136
Other current assets	129
Property and equipment	32
Goodwill	947
Amortizable intangible assets	472
Other long term assets	2
Deferred revenue	(47)
Other current liabilities	(53)
Deferred tax liabilities	(184)
Other long term liabilities	(18)
Total	$1,416

As of the acquisition date, the expected fair value of accounts receivable approximated historical cost. The gross contractual receivable was $64 million, of which $4 million was deemed uncollectible.

The allocation of the purchase price to goodwill and identified intangible assets was $947 million and $472 million, respectively. All of the Arbitron related goodwill and intangible assets are attributable to our Watch segment.

Intangible assets and their estimated useful lives consist of the following:

(IN MILLIONS)

Description	Amount	Useful Life
Customer–related intangibles	$ 271	10 – 15 years
Computer software	159	5 – 10 years
Trade names and trademarks	31	3 - 5 years
Covenants-not-to-compete	11	1 – 2 years
Total	$ 472	

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents expected synergies and the going concern nature of Arbitron.

We incurred acquisition-related expenses of $19 million and $9 million for the years ended December 31, 2013 and 2012, respectively, which primarily consisted of transaction fees, legal, accounting and other professional services that are included in selling, general and administrative expense in the consolidated statement of operations.

The following unaudited pro forma information presents the consolidated results of our operations and Arbitron's for the year ended December 31, 2013 and 2012, as if the acquisition had occurred on January 1, 2012, with pro forma adjustments to give effect to amortization of intangible assets, an increase in interest expense from acquisition financing, and certain other adjustments:

	Year Ended December 31,	
(IN MILLIONS)	2013	2012
Revenues	$6,058	$5,885
Income from continuing operations	$497	$275

The unaudited pro forma results do not reflect any synergies and are not necessarily indicative of the results that we would have attained had the acquisition of Arbitron been completed as of the beginning of the reporting period.

Nielsen Audio's results of operations are fully reflected in our consolidated results of operations for the year ended December 31, 2014.

Other Acquisitions

For the year ended December 31, 2014, we paid cash consideration of $314 million associated with both current period and previously executed acquisitions (including Harris Interactive, Inc.), net of cash acquired. Had these current period's acquisitions occurred as of January 1, 2014, the impact on our consolidated results of operations would not have been material.

For the year ended December 31, 2013, excluding Arbitron, we paid cash consideration of $43 million associated with both current period and previously executed acquisitions, net of cash acquired. Had that period's acquisitions occurred as of January 1, 2013, the impact on our consolidated results of operations would not have been material.

For the year ended December 31, 2012, we paid cash consideration of $160 million associated with both current period and previously executed acquisitions, net of cash acquired. Had that period's acquisitions occurred as of January 1, 2012, the impact on our consolidated results of operations would not have been material.

Discontinued Operations

In February 2014, Nielsen completed the acquisition of Harris Interactive, Inc., a leading global market research firm, through the purchase of all outstanding shares of Harris Interactive's common stock. In June 2014, the Company completed the sale of Harris Interactive European operations ("Harris Europe") to ITWP Acquisitions Limited ("ITWP"), the parent company of Toluna, a leading digital market research and technology company in exchange for a minority stake in ITWP. The consolidated statements of operations reflect the operating results of Harris Europe as a discontinued operation.

In June 2013, we completed the sale of our Expositions business, which operates one of the largest portfolios of business-to-business trade shows and conference events in the United States, for total cash consideration of $950 million and recorded a gain of $290 million. The consolidated statements of operations reflect the operating results of this business as a discontinued operation.

In March 2013, we completed the exit and shut down of one of our legacy online businesses and recorded a net loss of $3 million associated with this divestiture. The consolidated statements of operations reflect the operating results of this business as a discontinued operation.

Summarized results of operations for discontinued operations are as follows:

(IN MILLIONS)	Year Ended December 31, 2014	2013	2012
Revenue	$15	$103	$205
Operating income	—	35	72
Interest expense (1)	—	(8)	(23)
Income from operations before income taxes	—	27	49
Provision for income taxes	—	(12)	(18)
Income from operations	—	15	31
Gain on sale, net of tax	—	290	—
Net income attributable to noncontrolling interest	—	—	(1)
Income from discontinued operations, net of tax	$—	$305	$30

(1) We allocated a portion of our consolidated interest expense to discontinued operations based upon the ratio of net assets sold as a proportion of consolidated net assets. For the years ended December 31, 2014, 2013 and 2012, interest expense of zero, $8 million and $23 million, respectively, and was allocated to discontinued operations.

Following are the major categories of cash flows from discontinued operations, as included in our consolidated statements of cash flows:

(IN MILLIONS)	Year Ended December 31, 2014	2013	2012
Net cash provided by operating activities	$—	$36	$67
Net cash used in investing activities	—	—	(11)
Net cash used in financing activities	—	—	—
	$—	$36	$56

Foreign Currency

Our financial results are reported in U.S. dollars and are therefore subject to the impact of movements in exchange rates on the translation of the financial information of individual businesses whose functional currencies are other than U.S. dollars. Our principal foreign exchange revenue exposure is spread across several currencies, primarily the Euro. The table below sets forth the profile of our revenue by principal currency.

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
U.S. Dollar	56 %	52 %	51 %
Euro	11 %	12 %	12 %
Other Currencies	33 %	36 %	37 %
Total	100 %	100 %	100 %

As a result, fluctuations in the value of foreign currencies relative to the U.S. dollar impact our operating results. Impacts associated with fluctuations in foreign currency are discussed in more detail under “Item 7A.—Quantitative and

Qualitative Disclosures about Market Risk." In countries with currencies other than the U.S. dollar, assets and liabilities are translated into U.S. dollars using end-of-period exchange rates; revenues, expenses and cash flows are translated using average rates of exchange. The average U.S. dollar to Euro exchange rate was $1.33 to €1.00, $1.33 to €1.00 and $1.29 to €1.00 for the years ended December 31, 2014, 2013 and 2012, respectively. Constant currency growth rates used in the following discussion of results of operations eliminate the impact of year-over-year foreign currency fluctuations.

We have operations in both our Buy and Watch segments in Venezuela and the functional currency for these operations was the Venezuelan Bolivares Fuertes. Venezuela's currency has been considered hyperinflationary since January 1, 2010 and accordingly, local currency transactions have been denominated in U.S. dollars since January 1, 2010 and will continue to be until Venezuela's currency is deemed to be non-hyperinflationary.

In February 2013, the Venezuelan government devalued its currency by 32%. The official exchange rate moved from 4.30 to 6.30 and the regulated System of Transactions with Securities in Foreign Currency market was suspended. As a result of this change, we recorded a charge of $12 million in 2013 in foreign currency exchange transaction (losses)/gains, net in the consolidated statement of operations primarily reflecting the write-down of monetary assets and liabilities.

During 2014, as a result of further changes associated with the Venezuelan currency exchange rate mechanisms, we changed the exchange rate used to remeasure our Venezuelan subsidiaries' financial statements in U.S. dollars. Based on facts and circumstances present at March 31, 2014, we began using the exchange rate determined by periodic auctions for U.S. dollars conducted under Venezuela's Complementary System of Foreign Currency Administration ("SICAD I"). As a result of Exchange Agreement No. 25 between the Central Bank of Venezuela and the Venezuelan government, we believed that any future remittances for royalty and dividend payments would be transacted at the SICAD I exchange rate. Accordingly, because the equity of the Venezuelan subsidiary would be realized through the payment of royalties and dividends, the SICAD I exchange rate represented a more realistic exchange rate at which to remeasure the U.S. dollar value of the bolivar-denominated monetary assets and liabilities of our Venezuelan subsidiaries in the consolidated financial statements. However, since its implementation, we have not been successful in gaining access to U.S. dollars through SICAD I. Due to the lack of access to the SICAD I auction system, as of December 31, 2014 we decided it was more likely that it would be able to gain access to U.S. dollars through the SICAD II mechanism to settle transactions conducted by the Company in Venezuela as it was created to provide an open mechanism that permits any company to request U.S. dollars for any purpose. Accordingly, we concluded that the SICAD II exchange rate should be used to re-measure our bolivar-denominated monetary assets and liabilities as of December 31, 2014. At December 31, 2014, the SICAD II exchange rate was 50.0 bolivars to the U.S. dollar, compared with the official exchange rate of 6.3 bolivars to the U.S. dollar and the SICAD I exchange rate of 12.0 bolivars to the U.S. dollar. As a result of these changes, we recorded a pre-tax charge of $52 million for the year ended December 31, 2014 in foreign currency exchange transaction losses, net in the consolidated statement of operations, reflecting the write-down of monetary assets and liabilities in the our Venezuelan operations.

We will continue to assess the appropriate conversion rate based on events in Venezuela and the Company's specific facts and circumstances.

We evaluate our results of operations on both an as reported and a constant currency basis. The constant currency presentation is a non-GAAP financial measure, which excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our results of operations, consistent with how we evaluate our performance. We calculate constant currency percentages by converting our prior-period local currency financial results using the current period foreign currency exchange rates and comparing these adjusted amounts to our current period reported results. This calculation may differ from similarly-titled measures used by others and, accordingly, the constant currency presentation is not meant to be a substitution for recorded amounts presented in conformity with GAAP nor should such amounts be considered in isolation.

Results of Operations – Years Ended December 31, 2014, 2013 and 2012

The following table sets forth, for the periods indicated, the amounts included in our Consolidated Statements of Operations:

	Year Ended December 31,		
(IN MILLIONS)	2014	2013	2012
Revenues	$6,288	$5,703	$5,407
Cost of revenues, exclusive of depreciation and amortization shown separately below	2,620	2,398	2,225
Selling, general and administrative expenses, exclusive of depreciation and amortization shown separately below	1,917	1,815	1,724
Depreciation and amortization	573	510	493

Restructuring charges	89	119	85
Operating income	1,089	861	880
Interest income	3	2	4
Interest expense	(300)	(309)	(390)
Foreign currency exchange transaction losses, net	(71)	(25)	(17)
Other expense, net	(100)	(9)	(118)
Income from continuing operations before income taxes and equity in net (loss)/income of affiliates	621	520	359
Provision for income taxes	(236)	(91)	(122)
Equity in net (loss)/income of affiliates	(4)	2	5
Income from continuing operations	381	431	242
Income from discontinued operations, net of tax	—	305	30
Net income	381	736	272
Net loss attributable to noncontrolling interests	(3)	(4)	(1)
Net income attributable to Nielsen stockholders	$384	$740	$273

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Net Income to Adjusted EBITDA Reconciliation

We define Adjusted EBITDA as net income or loss from our consolidated statements of operations before interest income and expense, income taxes, depreciation and amortization, restructuring charges, goodwill and intangible asset impairment charges, stock-based compensation expense and other non-operating items from our consolidated statements of operations as well as certain other items specifically described below.

Adjusted EBITDA is not a presentation made in accordance with GAAP, and our use of the term Adjusted EBITDA may vary from the use of similarly-titled measures by others in our industry due to the potential inconsistencies in the method of calculation and differences due to items subject to interpretation.

We use Adjusted EBITDA to 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. In addition to Adjusted EBITDA being a significant measure of performance for management purposes, we also believe that this presentation provides useful information to investors regarding financial and business trends related to our results of operations and that when non-GAAP financial information is viewed with GAAP financial information, investors are provided with a more meaningful understanding of our ongoing operating performance.

Adjusted EBITDA should not be considered as an alternative to net income, operating income, cash flows from operating activities or any other performance measures derived in accordance with GAAP as measures of operating performance or cash flows as measures of liquidity. Adjusted EBITDA has important limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

The below table presents a reconciliation from net income to Adjusted EBITDA for the years ended December 31, 2014, 2013 and 2012:

	Year Ended December 31,		
(IN MILLIONS)	2014	2013	2012
Net income	$381	$736	$272
Income from discontinued operations, net	—	(305)	(30)
Interest expense, net	297	307	386
Provision for income taxes	236	91	122
Depreciation and amortization	573	510	493
EBITDA	1,487	1,339	1,243
Equity in net loss/(income) of affiliates	4	(2)	(5)
Other non-operating expense, net	171	34	135
Restructuring charges	89	119	85
Stock-based compensation expense	47	47	34
Other items[(a)]	39	80	12
Adjusted EBITDA	$1,837	$1,617	$1,504

(a) For the year ended December 31, 2014, other items primarily consist of non-recurring costs. For the year ended December 31, 2013, other items consist primarily of one-time items associated with the acquisition of Arbitron, including non-cash purchase accounting adjustments and transaction-related costs. For the year ended December 31, 2012, other items primarily consist of transaction-related costs.

Consolidated Results for the Year Ended December 31, 2014 Compared to the Year Ended December 31, 2013

Revenues

Revenues increased 10.3% to $6,288 million for the year ended December 31, 2014 from $5,703 million for the year ended December 31, 2013, or 12.4% on a constant currency basis, which excludes a 2.1% unfavorable impact of changes in foreign currency exchange rates. Excluding the impact of the Arbitron and Harris Interactive acquisitions, revenues increased 2.4% (4.5% on a constant currency basis). Revenues within our Buy segment increased 3.4% (6.3% on a constant currency basis). Excluding the impact from the Harris Interactive acquisition, Buy segment revenues increased 0.8% (3.6% on a constant currency basis). Revenues within our Watch segment increased 20.4% (21.3% on a constant currency basis). Excluding the impact from the Arbitron acquisition, revenues within our Watch segment increased 4.9% (5.8% on a constant currency basis).

Cost of Revenues, Exclusive of Depreciation and Amortization

Cost of revenues increased 9.3% to $2,620 million for the year ended December 31, 2014 from $2,398 million for the year ended December 31, 2013, or 10.8% on a constant currency basis, excluding a 1.5% favorable impact of changes in foreign currency exchange rates. Costs within our Buy segment increased 7.1% (9.3% on a constant currency basis) due primarily to the Harris Interactive acquisition in February 2014 and the continued global expansion of our services. Costs within our Watch segment increased 11.1% (11.7% on a constant currency basis) primarily due to the impact of the Arbitron acquisition on September 30, 2013 partially offset by the impact of productivity initiatives. Corporate costs increased by approximately $17 million in 2014 as compared to 2013.

Selling, General and Administrative Expenses, Exclusive of Depreciation and Amortization

Selling, general and administrative expenses increased 5.6% to $1,917 million for the year ended December 31, 2014 from $1,815 million for the year ended December 31, 2013, or an increase of 7.8% on a constant currency basis, excluding a 2.2% favorable impact of changes in foreign currency exchange rates. Costs within our Buy segment increased 0.9 % (3.5% on a constant currency basis) due primarily to the Harris Interactive acquisition in February 2014, as well as other investments associated with the expansion of our services. Costs within our Watch segment increased 21.7% (22.4% on a constant currency basis) primarily due to the impact of the Arbitron acquisition on September 30, 2013, as well as the impact of other investments in product development initiatives. Corporate costs decreased by $10 million due to higher transaction-related costs in 2013.

Depreciation and Amortization

Depreciation and amortization expense from continuing operations was $573 million for the year ended December 31, 2014 as compared to $510 million for the year ended December 31, 2013. The increase was primarily driven by increases in depreciation and amortization expense associated with the assets acquired in business acquisitions. Depreciation and amortization expense associated with tangible and intangibles assets acquired in business combinations increased to $204 million for the year ended December 31, 2014 from $162 million for the year ended December 31, 2013.

Restructuring Charges

We recorded $89 million in restructuring charges for the year ended December 31, 2014, primarily related to employee severance associated with productivity initiatives.

We recorded $119 million in restructuring charges for the year ended December 31, 2013, primarily related to employee severance associated with productivity initiatives and contract termination costs.

Operating Income

Operating income for the year ended December 31, 2014 was $1,089 million compared to operating income of $861 million for the year ended December 31, 2013. Operating income of $358 million for the year ended December 31, 2014 within our Buy segment decreased from $399 million for the year ended December 31, 2013. Operating income within our Watch segment of $836 million for the year ended December 31, 2014 increased from $570 million for the year ended December 31, 2013. Corporate operating expenses decreased to $105 million for the year ended December 31, 2014 from $108 million for the year ended December 31, 2013.

Interest Expense

Interest expense was $300 million for the year ended December 31, 2014 compared to $309 million for the year ended December 31, 2013. The decline primarily related to the refinancing of Term Loan A and B in February 2013, the maturity of the mandatory convertible debt in February 2013, the refinancing of the 11.625% senior notes in October 2013, and the refinancing of the 7.75% senior notes in April and July 2014 partially offset by the increased debt balance in September 2013 related to Arbitron acquisition financing and the interest expense allocated to our discontinued operations in the year ended December 31, 2013 as discussed in the “Discontinued Operations” section in “Factors Affecting Nielsen’s Financial Results” above.

Foreign Currency Exchange Transaction Losses, Net

Foreign currency exchange transaction losses, net, represent the net loss on revaluation of certain cash, external debt, intercompany loans and other receivables and payables. Fluctuations in the value of foreign currencies relative to the U.S. Dollar, particularly the Euro, have a significant effect on our operating results. The average U.S. Dollar to Euro exchange rate was $1.33 to €1.00 in each of the years ended December 31, 2014 and 2013.

We incurred $71 million in net foreign currency exchange losses for the year ended December 31, 2014, resulting primarily from changes to the Venezuelan exchange rate mechanisms as discussed in the "Foreign Currency" section of "Factors Affecting Nielsen's Financial Results" as well as the fluctuation in U.S. to Euro exchange rate associated with our European revolving credit facility and the fluctuations in certain foreign currencies associated with intercompany transactions.

We incurred $25 million in net foreign currency exchange losses for the year ended December 31, 2013, resulting primarily from the devaluation of the Venezuela bolivars Fuertes as discussed in the "Foreign Currency" section of "Factors Affecting Nielsen's Financial Results" as well as the fluctuations in certain foreign currencies associated with intercompany transactions.

Other Expense, Net

Other expense, net of $100 million for the year ended December 31, 2014 is primarily related to the "make-whole" premium associated with the redemption of our 7.75% Senior Notes due 2018, as well as the write-off of certain previously capitalized deferred financing fees associated with the Class D and E term loans and certain costs incurred in connection with the refinancings.

The $9 million of other expense, net for the year ended December 31, 2013 consists primarily of the write-off of deferred financing costs and other costs of $12 million associated with the amendment to our Senior Secured Credit Agreement, charges of $12 million associated with the unused bridge loan terminated as part of the Arbitron acquisition and charges of approximately $8 million related to the redemption of all of our 11.625% Senior Notes due 2014, partially offset by the gain of $24 million from the step acquisition of Scarborough.

Income from Continuing Operations Before Income Taxes and Equity in Net Income of Affiliates

Income was $621 million for the year ended December 31, 2014 compared to $520 million for the year ended December 31, 2013 due primarily to the consolidated results mentioned above.

Income Taxes

The effective tax rates for the years ended December 31, 2014 and 2013 were 38% and 18%, respectively.

The effective tax rate for the year ended December 31, 2014 was higher than the Dutch statutory rate as a result of the impact of tax rate differences in other jurisdictions where the Company files tax returns, the effect of global licensing activities and foreign distributions, withholding and foreign taxes as well as state and local income taxes offset by the favorable impact of certain financing activities. The effective tax rate for the year ended December 31, 2013 was lower than the statutory expense rate due to the favorable impact of certain financing activities, release of valuation allowances and favorable impacts of provision to return adjustments.

At December 31, 2014 and 2013, we had gross uncertain tax positions of $452 million and $475 million, respectively. We also have accrued interest and penalties associated with these uncertain tax positions as of December 31, 2014 and 2013 of $41 million and $52 million, respectively.

Estimated interest and penalties related to the underpayment of income taxes is classified as a component of our provision or benefit for income taxes. It is reasonably possible that a reduction in a range of $23 million to $45 million of uncertain tax positions may occur within the next twelve months as a result of projected resolutions of worldwide tax disputes.

Our future effective tax rates could be adversely affected by earnings being lower than anticipated in countries where statutory rates are lower and earnings being higher than anticipated in countries where statutory rates are higher, by changes in the valuation of our deferred tax assets, or by changes in tax laws, regulations, accounting principles, or interpretations thereof.

Adjusted EBITDA

Adjusted EBITDA increased 13.6% to $1,837 million for the year ended December 31, 2014 from $1,617 million for the year ended December 31, 2013, or 16.5% on a constant currency basis. Our Adjusted EBITDA margin increased to 29.21% for the year ended December 31, 2014 from 28.35% for the year ended December 31, 2013. See “Results of Operations – (Years Ended December 31, 2014, 2013 and 2012)” for the reconciliation of net income to Adjusted EBITDA.

Consolidated Results for the Year Ended December 31, 2013 Compared to the Year Ended December 31, 2012

Revenues

Revenues increased 5.5% to $5,703 million for the year ended December 31, 2013 from $5,407 million for the year ended December 31, 2012, or 6.4% on a constant currency basis, which excludes a 0.9% unfavorable impact of changes in foreign currency exchange rates. Excluding the impact from the acquisition of Arbitron, revenues increased 3.0% (3.9% on a constant currency basis). Revenues within our Buy segment increased 1.9% (3.1% on a constant currency basis) while revenues within our Watch segment increased 11.2% (11.7% on a constant currency basis). Excluding the impact from the acquisition of Arbitron, revenues within our Watch segment increased 4.7% (5.2% on a constant currency basis).

Cost of Revenues, Exclusive of Depreciation and Amortization

Cost of revenues increased 7.8% to $2,398 million for the year ended December 31, 2013 from $2,225 million for the year ended December 31, 2012, or 8.5% on a constant currency basis, excluding a 0.7% favorable impact of changes in foreign currency exchange rates. Costs within our Buy segment increased 4.9% (5.8% on a constant currency basis) due primarily to investments in the continued global expansion of our services as well as investment in our footprint in the emerging markets. Costs within our Watch segment increased 12.6% (13.2% on a constant currency basis) primarily due to the impact of the Arbitron acquisition on September 30, 2013 and spending on product portfolio management initiatives. Corporate costs increased by approximately $3 million in 2013 as compared to 2012.

Selling, General and Administrative Expenses, Exclusive of Depreciation and Amortization

Selling, general and administrative expenses increased 5.3% to $1,815 million for the year ended December 31, 2013 from $1,724 million for the year ended December 31, 2012, or an increase of 6.1% on a constant currency basis, excluding a 0.8% favorable impact of changes in foreign currency exchange rates. Costs within our Buy segment increased 0.8 % (1.7% on a constant currency basis) due primarily to increases in client service costs and other investments associated with the global expansion of our services. Costs within our Watch segment increased 14.6% (15.5% on a constant currency basis) primarily due to the impact of the Arbitron acquisition on September 30, 2013. Corporate costs increased by $21 million due to higher transaction-related costs.

Depreciation and Amortization

Depreciation and amortization expense from continuing operations was $510 million for the year ended December 31, 2013 as compared to $493 million for the year ended December 31, 2012. The increase was primarily driven by increases in depreciation and amortization expense associated with the tangible and intangible assets acquired as part of the Arbitron acquisition on September 30, 2013. Depreciation and amortization expense associated with tangible and intangibles assets acquired in business combinations increased to $162 million for the year ended December 31, 2013 from $145 million for the year ended December 31, 2012 resulting from higher amortization on the assets acquired as part of the Arbitron acquisition on September 30, 2013.

Restructuring Charges

We recorded $119 million in restructuring charges for the year ended December 31, 2013, primarily related to employee severance associated with productivity initiatives and contract termination costs.

We recorded $85 million in restructuring charges for the year ended December 31, 2012, of which $5 million related to property lease termination charges with the remainder relating to severance costs associated with employee terminations.

Operating Income

Operating income for the year ended December 31, 2013 was $861 million compared to operating income of $880 million for the year ended December 31, 2012. Operating income of $399 million for the year ended December 31, 2013 within our Buy segment decreased from $403 million for the year ended December 31, 2012. Operating income within our Watch segment of $570 million for the year ended December 31, 2013 increased from $553 million for the year ended December 31, 2012. Corporate operating expenses increased to $108 million for the year ended December 31, 2013 from $76 million for the year ended December 31, 2012.

Interest Expense

Interest expense was $309 million for the year ended December 31, 2013 compared to $390 million for the year ended December 31, 2012. The decline primarily related to our refinancing of the 11.5% senior notes and our 8.5% senior secured term loan in the fourth quarter of 2012, the impact of our refinancing of the Class A, B, and C senior secured term loans in February 2013, the maturity of the mandatory convertible debt in February 2013 and the refinancing of the 11.625% senior notes in October 2013.

Foreign Currency Exchange Transaction Losses, Net

Foreign currency exchange transaction losses, net, represent the net loss on revaluation of certain external debt, intercompany loans and other receivables and payables. Fluctuations in the value of foreign currencies relative to the U.S. Dollar, particularly the Euro, have a significant effect on our operating results. The average U.S. Dollar to Euro exchange rate was $1.33 to €1.00 for the year ended December 31, 2013 as compared to $1.29 to €1.00 for the year ended December 31, 2012.

We incurred $25 million and $17 million in net foreign currency exchange losses for the year ended December 31, 2013 and 2012, respectively. The loss in 2013 resulted primarily from the devaluation of the Venezuela Bolivars Fuertes as discussed in the “Foreign Currency” section of the “Factors Affecting Nielsen’s Financial Results” and the fluctuations of certain foreign currencies associated with a portion of our intercompany loan portfolio. The loss in 2012 resulted primarily from fluctuations in certain currencies associated with a portion of our intercompany loan portfolio.

Other Expense, Net

The $9 million of other expense, net for the year ended December 31, 2013, consists primarily of the write-off of deferred financing costs and other costs of $12 million associated with the amendment to our Senior Secured Credit Agreement, charges of $12 million associated with the unused bridge loan terminated as part of the Arbitron acquisition and charges of approximately $8 million related to the redemption of all of our 11.625% Senior Notes due 2014, partially offset by the gain of $24 million from the step acquisition of Scarborough.

The $118 million of other expense, net for the year ended December 31, 2012, consists of charges of $115 million associated with the redemption and retirement of our 11.50% Senior Notes due 2016 and the prepayment of our 8.50% Senior Secured Term Loan due 2017, a $6 million write-down of an investment in an equity security, and a $6 million charge associated with extinguishment of our term loan due in 2013, partially offset by a $10 million gain on the acquisition of a previously nonconsolidated business.

Income from Continuing Operations Before Income Taxes and Equity in Net Income of Affiliates

Income was $520 million for the year ended December 31, 2013 compared to $359 million for the year ended December 31, 2012 due primarily to the consolidated results mentioned above.

Income Taxes

The effective tax rates for the years ended December 31, 2013 and 2012 were 18% and 34%, respectively.

The effective tax rate for the year ended December 31, 2013 was lower than the statutory expense rate due to the favorable impact of certain financing activities and the net release of valuation allowances partially offset by an increase in accruals for our uncertain tax position and tax rate differences in the other jurisdictions where we file tax returns, US state and local and other withholding taxes. The effective tax rate for the year ended December 31, 2012 was higher than the statutory expense rate due to the impact of distributions from foreign subsidiaries, tax rate differences in the other jurisdictions where we file tax returns, US state and local and other withholding taxes, offset by the favorable impact of certain financing activities, the net release of valuation allowances and changes in deferred tax rates.

At December 31, 2013 and 2012, we had gross uncertain tax positions of $475 million and $409 million, respectively. We also have accrued interest and penalties associated with these uncertain tax positions as of December 31, 2013 and 2012 of $52 million and $45 million, respectively.

Estimated interest and penalties related to the underpayment of income taxes is classified as a component of our provision or benefit for income taxes. It is reasonably possible that a reduction in a range of $47 million to $57 million of uncertain tax positions may occur within the next twelve months as a result of projected resolutions of worldwide tax disputes.

Our future effective tax rates could be adversely affected by earnings being lower than anticipated in countries where statutory rates are lower and earnings being higher than anticipated in countries where statutory rates are higher, by changes in the valuation of our deferred tax assets, or by changes in tax laws, regulations, accounting principles, or interpretations thereof.

Adjusted EBITDA

Adjusted EBITDA increased 7.5% to $1,617 million for the year ended December 31, 2013 from $1,504 million for the year ended December 31, 2012, or 8.7% on a constant currency basis. Our Adjusted EBITDA margin increased to 28.35% for the year ended December 31, 2013 from 27.82% for the year ended December 31, 2012. See "Results of Operations – (Years Ended December 31, 2013, 2012 and 2011)" for the reconciliation of net income to Adjusted EBITDA.

Business Segment Results for the Year Ended December 31, 2014 Compared to the Year Ended December 31, 2013

Revenues

The table below sets forth our segment revenue performance data for the year ended December 31, 2014 compared to the year ended December 31, 2013, both on an as-reported and constant currency basis.

(IN MILLIONS)	Year Ended December 31, 2014	Year Ended December 31, 2013	% Variance 2014 vs. 2013 Reported		Year Ended December 31, 2013 Constant Currency	% Variance 2014 vs. 2013 Constant Currency	
Revenues by segment							
Buy[a]	$ 3,523	$ 3,406	3.4	%	$ 3,314	6.3	%
Watch[b]	2,765	2,297	20.4	%	2,279	21.3	%
Total[c]	$ 6,288	$ 5,703	10.3	%	$ 5,593	12.4	%

(a) The Buy segment includes the results of Harris Interactive for the year ended December 31, 2014, commencing on February 3, 2014, the acquisition date. Excluding the impact from the Harris Interactive acquisition, total Buy revenue was $3,434, an increase of 0.8% (3.6% on a constant currency basis).

(b) The Watch segment includes the Arbitron (Nielsen Audio) results for the full year 2014 and for the fourth quarter of 2013. Excluding the impact from the Arbitron acquisition, total Watch revenue was $2,269 million, an increase of 4.9% (5.8% on a constant currency basis)

(c) Total Nielsen revenue includes both Arbitron (full period) and Harris Interactive (from February 3, 2014) for the year ended December 31, 2014. Excluding the impact from the two acquisitions, total Nielsen revenue for the year ended December 31, 2014 was $5,703 million, an increase of 2.4% (4.5% on a constant currency basis).

Buy Segment Revenues

Revenues increased 3.4% to $3,523 million for the year ended December 31, 2014 from $3,406 million for the year ended December 31, 2013 (6.3% on a constant currency basis). Excluding the impact of the Harris Interactive acquisition, revenues increased 0.8% (3.6% on a constant currency basis). Revenues from emerging markets increased 1.7% (9.5% on a constant currency basis) and revenues from developed markets increased 4.3% (4.9% on a constant currency basis). Excluding the impact from the Harris Interactive acquisition, revenues from developed markets increased 0.4% (1.0% on a constant currency basis).

Revenues from information services, which primarily include retail scanner and consumer panel-based measurement, increased 0.3% to $2,657 million for the year ended December 31, 2014 from $2,648 million for the year ended December 31, 2013 (3.3% on a constant currency basis). Growth in these services was driven by increased client investment in retail measurement in the emerging markets as well as the addition of new clients in developed markets.

Revenues from insights services, which consist of a broad range of analytics, increased 14.2% to $866 million for the year ended December 31, 2014 from $758 million for the year ended December 31, 2013, (16.6% on a constant currency basis). Excluding the impact of the Harris acquisition, revenues from these services increased 2.5% (4.6% on a constant currency basis), driven by increased demand for our analytical services in developed and emerging markets around the world.

Watch Segment Revenues

Revenues increased 20.4% to $2,765 million for the year ended December 31, 2014 from $2,297 million for the year ended December 31, 2013, or 21.3% on a constant currency basis. Excluding the impact from the Arbitron acquisition, revenues increased 4.9% (5.8% on a constant currency basis). Audience measurement revenue, excluding Arbitron, grew 5.3% (6.3% on a constant currency basis). The increase in Watch revenues was driven by the continued strength of audience measurement, including digital and Marketing Effectiveness.

Business Segment Profitability

We do not allocate items below operating income/(loss) to our business segments and therefore the tables below set forth a reconciliation of operating income/(loss) at the business segment level for the years ended December 31, 2014 and 2013, adjusting for certain items affecting operating income/(loss), such as restructuring charges, depreciation and amortization, stock-based compensation expense and certain other items described below resulting in a presentation of our non-GAAP business segment profitability. Non-GAAP business segment profitability provides useful supplemental information to management and investors regarding financial and business trends related to our results of operations. When this non-GAAP financial information is viewed with our GAAP financial information, investors are provided with a meaningful understanding of our ongoing operating performance. It is important to note that the non-GAAP business segment profitability corresponds in total to our consolidated Adjusted EBITDA described within our consolidated results of operations above, which our chief operating decision making group and other members of management use to 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. These non-GAAP measures should not be considered as an alternative to net income, operating income, cash flows from operating activities or any other performance measures derived in accordance with GAAP as measures of operating performance or cash flows as measures of liquidity. These non-GAAP measures have important limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

YEAR ENDED DECEMBER 31, 2014 (IN MILLIONS)	Operating Income/ (Loss)	Restructuring Charges	Depreciation and Amortization	Stock-Based Compensation Expense	Other Items[1]	Non-GAAP Business Segment Income/(Loss)
Buy	$ 358	$ 64	$ 224	$ 14	$ (2)	$ 658
Watch	836	14	343	10	11	1,214
Corporate and Eliminations	(105)	11	6	23	30	(35)
Total Nielsen	$ 1,089	$ 89	$ 573	$ 47	$ 39	$ 1,837

YEAR ENDED DECEMBER 31, 2013 (IN MILLIONS)	Operating Income/ (Loss)	Restructuring Charges	Depreciation and Amortization	Stock-Based Compensation Expense	Other Items[1]	Non-GAAP Business Segment Income/(Loss)
Buy	$ 399	$ 47	$ 199	$ 14	$ 1	$ 660
Watch	570	55	302	11	51	989
Corporate and Eliminations	(108)	17	9	22	28	(32)
Total Nielsen	$ 861	$ 119	$ 510	$ 47	$ 80	$ 1,617

(1) For the year ended December 31, 2014, other items consist primarily of non-recurring costs. For the year ended December 31, 2013, other items consist primarily of one-time items associated with the acquisition of Arbitron, including non-cash purchase accounting adjustments and transaction-related costs.

(IN MILLIONS)	Year Ended December 31, 2014	Year Ended December 31, 2013	% Variance 2014 vs. 2013 Reported	Year Ended December 31, 2013 Constant Currency	% Variance 2014 vs. 2013 Constant Currency

Non-GAAP Business Segment Income/(Loss)					
Buy	$ 658	$ 660	(0.3)%	$ 629	4.6 %
Watch	1,214	989	22.8 %	979	24.0 %
Corporate and Eliminations	(35)	(32)	NA	(31)	NA
Total Nielsen	$ 1,837	$ 1,617	13.6 %	$ 1,577	16.5 %

Buy Segment Profitability

Operating income was $358 million for the year ended December 31, 2014 as compared to $399 million for the year ended December 31, 2013 as the increase in revenue mentioned above was more than offset by investment in the continued global expansion of our services, higher restructuring charges and an increase in depreciation and amortization expense. Non-GAAP business segment income increased 4.6% on a constant currency basis.

Watch Segment Profitability

Operating income was $836 million for the year ended December 31, 2014 as compared to $570 million for the year ended December 31, 2013. The increase was driven by the revenue performance discussed above, as well as a decrease in restructuring charges and transaction-related costs partially offset by higher depreciation and amortization expense. Non-GAAP business segment income increased 24.0% on a constant currency basis.

Corporate Expenses and Eliminations

Operating expenses were $105 million for the year ended December 31, 2014 as compared to $108 million for the year ended December 31, 2013 due to decreases in restructuring charges and depreciation and amortization expense.

Business Segment Results for the Year Ended December 31, 2013 Compared to the Year Ended December 31, 2012

Revenues

The table below sets forth our segment revenue performance data for the year ended December 31, 2013 compared to the year ended December 31, 2012, both on an as-reported and constant currency basis.

(IN MILLIONS)	Year Ended December 31, 2013	Year Ended December 31, 2012	% Variance 2013 vs. 2012 Reported	Year Ended December 31, 2012 Constant Currency	% Variance 2013 vs. 2012 Constant Currency
Revenues by segment					
Buy[b]	$ 3,406	$ 3,341	1.9 %	$ 3,305	3.1 %
Watch[a] [b]	2,297	2,066	11.2 %	2,056	11.7 %
Total	$ 5,703	$ 5,407	5.5 %	$ 5,361	6.4 %

(a) The Watch segment includes the Arbitron results for the fourth quarter of 2013. Excluding the impact from the Arbitron acquisition, total Nielsen revenue was $5,569 million, an increase of 3.0% (3.9% on a constant currency basis) and the Watch segment revenue was $2,163 million, an increase of 4.7% (5.2% on a constant currency basis).

(b) During the fourth quarter of 2013, to conform to a change in management reporting, we reclassified two products from the Buy segment to the Watch segment. The business segment results have been reclassified for comparison purposes for all periods presented in the consolidated financial statements.

Buy Segment Revenues

Revenues increased 1.9% to $3,406 million for the year ended December 31, 2013 from $3,341 million for the year ended December 31, 2012, or 3.1% on a constant currency basis. Revenues from emerging markets increased 3.4% (7.4% on a constant currency basis) and revenues from developed markets increased 1.2% for the period (1.1% on a constant currency basis).

Revenues from information services, which primarily include retail scanner and consumer panel-based measurement, increased 2.0% to $2,648 million for the year ended December 31, 2013 from $2,595 million for the year ended December 31, 2012, or 3.0% on a constant currency basis. Revenues from emerging markets increased 2.4% (6.5% on a constant currency basis) due to continued expansion of our retail measurement and services to both new and existing customers. Revenues from developed markets increased 1.9% (1.5% on a constant currency basis). Growth was impacted by no longer benefiting from the additional retail measurement coverage in the U.S. driven by Wal-Mart and softness in Western Europe.

Revenues from insights services, which consist of a broad range of analytics, increased 1.6% to $758 million for the year ended December 31, 2013 from $746 million for the year ended December 31, 2012, (3.1% on a constant currency basis) driven by increased demand for our analytical services in the emerging countries around the world.

Watch Segment Revenues

Revenues increased 11.2% to $2,297 million for the year ended December 31, 2013 from $2,066 million for the year ended December 31, 2012, or 11.7% on a constant currency basis. Excluding the impact from the Arbitron acquisition, revenues increased 4.7% (5.2% on a constant currency basis). Audience measurement revenue, excluding Arbitron (Nielsen Audio), grew 5.2% (5.7% on a constant currency basis) driven by increases in spending from existing customers, international expansion of our services to both new and existing customers, accelerated growth of our new digital products and increased growth in Marketing Effectiveness.

Business Segment Profitability

We do not allocate items below operating income/(loss) to our business segments and therefore the tables below set forth a reconciliation of operating income/(loss) at the business segment level for the years ended December 31, 2013 and 2012, adjusting for certain items affecting operating income/(loss), such as restructuring charges, depreciation and amortization, stock-based compensation expense and certain other items described below resulting in a presentation of our non-GAAP business segment profitability. Non-GAAP business segment profitability provides useful supplemental information to management and investors regarding financial and business trends related to our results of operations. When this non-GAAP financial information is viewed with our GAAP financial information, investors are provided with a meaningful understanding of our ongoing operating performance. It is important to note that the non-GAAP business segment profitability corresponds in total to our consolidated Adjusted EBITDA described within our consolidated results of operations above, which our chief operating decision making group and other members of management use to 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. These non-GAAP measures should not be considered as an alternative to net income, operating income, cash flows from operating activities or any other performance measures derived in accordance with GAAP as measures of operating performance or cash flows as measures of liquidity. These non-GAAP measures have important limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

YEAR ENDED DECEMBER 31, 2013 (IN MILLIONS)	Operating Income/ (Loss)	Restructuring Charges	Depreciation and Amortization	Stock-Based Compensation Expense	Other Items[(1)]	Non-GAAP Business Segment Income/(Loss)
Buy	$ 399	$ 47	$ 199	$ 14	$ 1	$ 660
Watch	570	55	302	11	51	989
Corporate and Eliminations	(108)	17	9	22	28	(32)
Total Nielsen	$ 861	$ 119	$ 510	$ 47	$ 80	$ 1,617

YEAR ENDED DECEMBER 31, 2012 (IN MILLIONS)	Operating Income/ (Loss)	Restructuring Charges	Depreciation and Amortization	Stock-Based Compensation Expense	Other Items[(1)]	Non-GAAP Business Segment Income/(Loss)
Buy	$ 403	$ 58	$ 197	$ 10	$ 8	$ 676
Watch	553	20	285	7	(9)	856
Corporate and Eliminations	(76)	7	11	17	13	(28)
Total Nielsen	$ 880	$ 85	$ 493	$ 34	$ 12	$ 1,504

(1) For the year ended December 31, 2013, other items consist primarily of one-time items associated with the acquisition of Arbitron, including non-cash purchase accounting adjustments and transaction-related costs. For the year ended December 31, 2012, other items consist primarily of transaction-related costs.

(IN MILLIONS)	Year Ended December 31, 2013	Year Ended December 31, 2012	% Variance 2013 vs. 2012 Reported	Year Ended December 31, 2012 Constant Currency	% Variance 2013 vs. 2012 Constant Currency
Non-GAAP Business Segment Income/(Loss)					
Buy	$ 660	$ 676	(2.4)%	$ 663	(0.5)%
Watch	989	856	15.5%	851	16.2%
Corporate and Eliminations	(32)	(28)	NA	(27)	NA
Total Nielsen	$ 1,617	$ 1,504	7.5%	$ 1,487	8.7%

Buy Segment Profitability

Operating income was $399 million for the year ended December 31, 2013 as compared to $403 million for the year ended December 31, 2012 as the increase in revenue mentioned above was more than offset by investments in Emerging markets expansion and increases in retail measurement costs. Non-GAAP business segment income decreased 0.5% on a constant currency basis.

Watch Segment Profitability

Operating income was $570 million for the year ended December 31, 2013 as compared to $553 million for the year ended December 31, 2012. The increase was driven by the revenue performance discussed above, partially offset by higher depreciation and amortization expense and restructuring charges resulting from the Arbitron acquisition. Non-GAAP business segment income increased 16.2% on a constant currency basis.

Corporate Expenses and Eliminations

Operating expenses were $108 million for the year ended December 31, 2013 as compared to $76 million for the year ended December 31, 2012 due to increases in restructuring charges, transaction-related costs and stock-based compensation expense.

Liquidity and Capital Resources

We have consistently generated strong cash flows from operations, providing a source of funds ranging between $1,093 million and $784 million per year over the past three years. We provide for additional liquidity through several sources including, maintaining an adequate cash balance, access to global funding sources and a committed revolving credit facility. The following table provides a summary of the major sources of liquidity for the years ended December 31, 2014, 2013 and 2012:

(IN MILLIONS)	2014	2013	2012
Net cash from operating activities	$1,093	$901	$784
Cash and short-term marketable securities	$273	$564	$288
Revolving credit facility	$575	$635	$635

Of the $273 million in cash and cash equivalents, approximately $264 million was held in jurisdictions outside the U.S. and as a result there may be tax consequences if such amounts were moved out of these jurisdictions or repatriated to the U.S. We regularly review the amount of cash and cash equivalents held outside of the U.S. to determine the amounts necessary to fund the current operations of our foreign operations and their growth initiatives and amounts needed to service our U.S. indebtedness and related obligations.

We continue to focus on extending debt maturities and reducing cash interest expense. As set forth in more detail below, in 2013 and 2014, we obtained amendments to our term loan and revolving credit facilities, and used the proceeds from new issuances of senior notes to redeem previously outstanding notes with higher interest rates. The below table illustrates the results of these efforts through the decrease in our weighted average interest rate and cash paid for interest over the last three years.

	2014	2013	2012
Weighted average interest rate	3.79%	4.28%	5.02 %
Cash paid for interest, net of amounts capitalized (in millions)	$294	$304	$384

In April 2014, we completed the issuance of $750 million in aggregate principal amount of 5.00% Senior Notes due 2022 at par. In addition, in April 2014, we entered into an amendment agreement to amend and restate the Third Amended and Restated Senior Secured Credit Agreement in the form of the Fourth Amended and Restated Credit Agreement, which provides for three new classes of term loans, Class A Term Loans, Class B-1 Term Loans and Class B-2 Term Loans, in a combined principal amount of $3,180 million and €286 million, the proceeds of which, when combined with the net proceeds from the $750 million 5.0% Senior Notes, were used to repay and replace our existing Class D Term Loans maturing in February 2017 and the Class E Term Loans maturing in May 2016. Concurrent with the refinancing of the term loans, the existing $635 million revolving credit facility with a final maturity of April 2016 was replaced with new aggregate revolving credit commitments of $575 million with a final maturity of April 2019. Finally, in May 2014, we completed the redemption of $280 million in principal amount of the then currently outstanding $1,080 million aggregate principal amount of 7.75% Senior Notes due 2018 at a redemption price of 100% of the principal amount thereof plus an applicable "make-whole" premium. As a result of these transactions, we recorded a pre-tax charge of $45 million during 2014 to other expense, net in the consolidated statement of operations primarily related to the "make-whole" premium associated with the note redemption, as well as the write-off of certain previously capitalized deferred financing fees associated with the Class D and E term loans and certain costs incurred in connection with the refinancings.

In July 2014, we completed the issuance of an additional $800 million aggregate principal amount of 5.00% Senior Notes due 2022. The notes are traded interchangeably with the $750 million aggregate principal amount of 5.00% Senior Notes due 2022 issued in April 2014. In addition, in July 2014, we completed the redemption of the remaining $800 million of outstanding 7.75% Senior Notes due 2018 at a redemption price of 100% of the principal amount thereof plus an applicable “make-whole” premium. As a result of these transactions, we recorded a pre-tax charge of $51 million during 2014 to other expense, net in the consolidated statement of operations primarily related to the “make-whole” premium associated with the note redemption, as well as the write-off of certain previously capitalized deferred financing fees associated with the 7.75% Senior Notes.

Our contractual obligations, commitments and debt service requirements over the next several years are significant. We believe we will have available resources to meet both our short-term and long-term liquidity requirements, including our senior secured debt service. We expect the cash flow from our operations, combined with existing cash and amounts available under the revolving credit facility, will provide sufficient liquidity to fund our current obligations, projected working capital requirements, restructuring obligations, dividend payments and capital spending over the next year. In addition we may, from time to time, purchase, repay, redeem or retire any of our outstanding debt securities (including any publicly issued debt securities) in privately negotiated or open market transactions, by tender offer or otherwise.

Long-term borrowings

The following table provides a summary of our outstanding long-term borrowings as of December 31, 2014:

(IN MILLIONS)	Weighted Interest Rate		Carrying Amount
$1,580 million Senior secured term loan (LIBOR based variable rate of 2.16%) due 2019			1,542
$500 million Senior secured term loan (LIBOR based variable rate of 2.41%) due 2017			497
$1,100 million Senior secured term loan (LIBOR based variable rate of 3.16%) due 2021			1,094
€286 million Senior secured term loan (Euro LIBOR based variable rate of 3.01%) due 2021			345
$575 million senior secured revolving credit facility (Euro LIBOR or LIBOR based variable rate) due 2019			280
Total senior secured credit facilities (with weighted average interest rate)	2.65	%	3,758
$800 million 4.50% senior debenture loan due 2020			800
$1,550 million 5.00% senior debenture loan due 2022			1,553
$625 million 5.50% senior debenture loan due 2021			625
Total debenture loans (with weighted average interest rate)	5.23	%	2,978
Other loans			8
Total long-term debt	3.79	%	6,744
Capital lease and other financing obligations			118
Total debt and other financing arrangements			6,862
Less: Current portion of long-term debt, capital lease and other financing obligations and other short-term borrowings			397
Non-current portion of long-term debt and capital lease and other financing obligations			$ 6,465

Term Loan Facilities

In August 2006, certain of our subsidiaries entered into the Senior Secured Credit Agreement that was amended and restated in June 2009, February 2012, February 2013 and April 2014. The Senior Secured Credit Agreement provides for term loan facilities as shown in the table above.

In April 2014, we entered into an amendment agreement to amend and restate the Third Amended and Restated Senior Secured Credit Agreement in the form of the Fourth Amended and Restated Credit Agreement which provides for three new classes of term loans, Class A Term Loans, Class B-1 Term Loans and Class B-2 Term Loans, in a combined principal amount of $3,180 million and €286 million, the proceeds of which, when combined with the net proceeds from the $750 million 5.0% Senior Notes (see “Debenture Loans” below), were used to repay and replace our existing Class D Term Loans maturing in February 2017 and the Class E Term Loans maturing in May 2016.

The Class A Term Loans were issued with an aggregate principal balance of $1,580 million, maturing in full in April 2019. The Class A Term Loans shall be required to be repaid in an amount equal to 5% of the original principal amount in the first year after the closing date, 5% in the second year, 7.5% in the third year, 10% in the fourth year, and 72.5% in the fifth year (with payments in each year being made in equal quarterly installments other than the fifth year, in which payments shall be equal to 3.75% of the original principal amount in each of the first three quarters, with the balance repayable on the maturity date). Class A Term Loans bear interest equal to, at our election, a base rate or eurocurrency rate, in each case plus an applicable margin which ranges from 0.50% to 1.25% (in the case of base rate loans) or 1.50% to 2.25% (in the case of eurocurrency rate loans). The specific applicable margin is determined by the Company's total leverage ratio (as defined in the credit agreement).

The Class B-1 Term Loans were issued with an aggregate principal balance of $500 million, maturing in full in May 2017 and are required to be repaid in equal quarterly installments in aggregate annual amounts equal to 1.00% of the original principal amount of Class B-1 Term Loans, with the balance payable in May 2017. Class B-1 Term Loans bear interest equal to, at our election, a base rate or eurocurrency rate, in each case plus an applicable margin, which is equal to 1.25% (in the case of base rate loans) and 2.25% (in the case of eurocurrency rate loans).

The Class B-2 Term Loans were issued with an aggregate principal balance of $1,100 million and €286 million, maturing in full in April 2021 and are required to be repaid in equal quarterly installments in aggregate annual amounts equal to 1.00% of the original principal amount of Class B-2 Term Loans, with the balance payable in April 2021. Class B-2 Term Loans denominated in dollars bear interest equal to, at our election, a base rate or eurocurrency rate, in each case plus an applicable margin, which is equal to 2.00% (in the case of base rate loans) and 3.00% (in the case of eurocurrency rate loans). Class B-2 Term Loan denominated in Euros bear interest equal to the eurocurrency rate plus an applicable margin of 3.00%.

Obligations under the Senior Secured Credit Agreement ("Credit Agreement") are guaranteed by TNC B.V., substantially all of the wholly-owned U.S. subsidiaries of TNC B.V. and certain of the non-U.S. wholly-owned subsidiaries of TNC B.V., and are secured by substantially all of the existing and future property and assets of the U.S. subsidiaries of TNC B.V. and by a pledge of substantially all of the capital stock of the guarantors, the capital stock of substantially all of the U.S. subsidiaries of TNC B.V., and up to 65% of the capital stock of certain of the non-U.S. subsidiaries of TNC B.V. Under a separate security agreement, substantially all of the assets of TNC B.V. are pledged as collateral for amounts outstanding under the senior secured credit facilities.

Covenants

The Senior Secured Credit Agreement contains a number of covenants that, among other things, restrict, subject to certain exceptions, the ability of Nielsen Holding and Finance B.V. and its restricted subsidiaries (which together constitute most of our subsidiaries) to incur additional indebtedness or guarantees, incur liens and engage in sale and leaseback transactions, make certain loans and investments, declare dividends, make payments or redeem or repurchase capital stock, engage in certain mergers, acquisitions and other business combinations, prepay, redeem or purchase certain indebtedness, amend or otherwise alter terms of certain indebtedness, sell certain assets, transact with affiliates, enter into agreements limiting subsidiary distributions and alter the business they conduct. These entities are restricted, subject to certain exceptions, in their ability to transfer their net assets to us. Such restricted net assets amounted to approximately $5.0 billion at December 31, 2014. In addition, these entities are required to maintain a maximum total leverage ratio. Neither we nor TNC B.V. is currently bound by any financial or negative covenants contained in the credit agreement. The Senior Secured Credit Agreement also contains certain customary affirmative covenants and events of default. Certain significant financial covenants are described further below.

As discussed above, in April 2014, we entered into an amendment agreement to amend and restate the Third Amended and Restated Senior Secured Credit Agreement in the form of the Fourth Amended and Restated Credit Agreement. The financial covenant contained in our Fourth Amended and Restated Credit Agreement consists of a maximum leverage ratio applicable to our indirect wholly-owned subsidiary, Nielsen Holding and Finance B.V. and its restricted subsidiaries. The leverage ratio requires that we not permit the ratio of total net debt (as defined in the Senior Secured Credit Agreement) at the end of any calendar quarter to Covenant EBITDA (as defined in the Senior Secured Credit Agreement) for the four quarters then ended to exceed a specified threshold. The maximum permitted ratio is 5.50 to 1.00.

Failure to comply with this financial covenant would result in an event of default under our Fourth Amended and Restated Credit Agreement unless waived by our senior credit lenders. An event of default under our Fourth Amended and Restated Credit Agreement can result in the acceleration of our indebtedness under the facilities, which in turn would result in an event of default and possible acceleration of indebtedness under the agreements governing our debt securities as well. As our failure to comply with the financial covenant described above can cause us to go into default under the agreements governing our indebtedness, management believes that our Fourth Amended and Restated Credit Agreement and this covenant are material to us. As of December 31, 2014, we were in full compliance with the financial covenant described above.

Pursuant to our Credit Agreement, we are subject to making mandatory prepayments on the term loans within our Credit Agreement to the extent in any full calendar year we generate Excess Cash Flow ("ECF"), as defined in the Credit Agreement. The percentage of ECF that must be applied as a repayment is a function of several factors, including our ratio of total net debt to Covenant EBITDA, as well other adjustments, including any voluntary term loan repayments made in the course of the calendar year. To the extent any mandatory repayment is required pursuant to this ECF clause; such payment must generally occur on or around the time of the delivery of the annual consolidated financial statements to the lenders. At December 31, 2014, our ratio of total net debt to Covenant EBITDA was less than 5.00 to 1.00 and therefore no mandatory repayment was required. Our next ECF measurement date will occur upon completion of the 2014 results, and although we do not expect to be required to issue any mandatory repayments in 2014 or beyond, it is uncertain at this time if any such payments will be required in future periods.

Revolving Credit Facility

The Senior Secured Credit Agreement, as amended, also contains a senior secured revolving credit facility under which Nielsen Finance LLC, TNC (US) Holdings, Inc., and Nielsen Holding and Finance B.V. can borrow revolving loans. The revolving credit facility can also be used for letters of credit, guarantees and swingline loans. In April 2014, we entered into an amendment agreement to amend and restate the Third Amended and Restated Senior Secured Credit Agreement in the form of the Fourth Amended and Restated Credit Agreement, in connection with which the existing $635 million revolving credit facility was replaced with new aggregate revolving credit commitments of $575 million with a final maturity of April 2019.

The senior secured revolving credit facility is provided under the Senior Secured Credit Agreement and so contains covenants and restrictions as noted above with respect to the Senior Secured Credit Agreement under the "Term loan facilities" section above. Obligations under the revolving credit facility are guaranteed by the same entities that guarantee obligations under the Senior Secured Credit Agreement and Senior Secured Loan Agreement.

As of December 31, 2014, we had $280 million of borrowings outstanding and outstanding letters of credit of $6 million. As of December 31, 2013, we had no borrowings outstanding, but had outstanding letters of credit of $12 million. As of December 31, 2014, we had $289 million available for borrowing under the revolving credit facility.

Debenture Loans

The indentures governing certain of our debenture loans limit the majority of our subsidiaries' ability to incur additional indebtedness, pay dividends or make other distributions or repurchase our capital stock, make certain investments, enter into certain types of transactions with affiliates, use assets as security in other transactions and sell certain assets or merge with or into other companies subject to certain exceptions. Upon a change in control, we are required to make an offer to redeem all of the Senior Notes at a redemption price equal to the 101% of the aggregate accreted principal amount plus accrued and unpaid interest. The Senior Notes are jointly and severally guaranteed by Nielsen N.V., substantially all of the wholly owned U.S. subsidiaries of Nielsen N.V., and certain of the non-U.S. wholly-owned subsidiaries of Nielsen N.V.

In April 2014, we completed the issuance of $750 million in aggregate principal amount of 5.0% Senior Notes due 2022 at par. In May 2014, we completed the redemption of $280 million in principal amount of the then currently outstanding $1,080 million aggregate principal amount of 7.75% Senior Notes due 2018 at a redemption price of 100% of the principal amount thereof plus an applicable "make-whole" premium. In July 2014, we completed the issuance of an additional $800 million aggregate principal amount of 5.0% Senior Notes due 2022. The notes are traded interchangeably with the $750 million aggregate principal amount of 5.00% Senior Notes due 2022 issued in April 2014. In addition, in July 2014, we redeemed the remaining $800 million of outstanding 7.75% Senior Notes due 2018 at a redemption price of 100% of the principal amount thereof plus an applicable "make-whole" premium.

Dividends and Share Repurchase Program

We remain committed to driving shareholder value as evidenced in 2013 with the adoption of a quarterly cash dividend policy by our board of directors, under which we have paid $356 million and $265 million in cash dividends during the years ended December 31, 2014 and 2013, respectively. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors and will be subject to the board's continuing determination that the dividend policy and the declaration of dividends thereunder are in the best interests of our shareholders, and are in compliance with all laws and agreements to which we are subject. The below table summarizes the dividends declared on our common stock during 2013 and 2014.

Declaration Date	Record Date	Payment Date	Dividend Per Share
January 31, 2013	March 6, 2013	March 20, 2013	$ 0.16
May 2, 2013	June 5, 2013	June 19, 2013	$ 0.16
July 25, 2013	August 28, 2013	September 11, 2013	$ 0.20

October 22, 2013	November 25, 2013	December 9, 2013	$	0.20
February 20, 2014	March 6, 2014	March 20, 2014	$	0.20
May 1, 2014	June 5, 2014	June 19, 2014	$	0.25
July 24, 2014	August 28, 2014	September 11, 2014	$	0.25
October 30, 2014	November 25, 2014	December 9, 2014	$	0.25

No dividends were declared or paid on our common stock during 2012.

In July 2013, our board of directors approved a share repurchase program for up to $500 million of our outstanding common stock. In addition, in October 2014, our board of directors approved a new share repurchase program for up to $1 billion of our outstanding common stock. The primary purpose of the program is to mitigate dilution associated with our equity compensation plans. Repurchases under these plans will be made in accordance with applicable securities laws from time to time in the open market or otherwise depending on our management's evaluation of market conditions and other factors. Repurchases under these programs will be executed within the limitations of the existing authority granted at our 2014 Annual General Meeting of Shareholders. As of December 31, 2014, we have purchased 11,182,983 shares of our common stock at an average price of $42.67 per share (total consideration of $477 million) under these programs.

The following table provides a summary of share repurchase program activity through December 31, 2014.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Dollar Value of Shares that may yet be Purchased under the Plans or Programs
2013 Activity	289,839	$ 39.49	289,839	$ 488,554,427
2014 Activity				
January 1- 31	—	n/a	—	$ 488,554,427
February 1- 28	110,239	$ 43.42	110,239	$ 483,768,078
March 1- 31	241,091	$ 46.85	241,091	$ 472,472,783
April 1-30	269,972	$ 44.47	269,972	$ 460,467,412
May 1-31	211,848	$ 47.20	211,848	$ 450,467,820
June 1-30	207,243	$ 47.44	207,243	$ 440,635,906
July 1-31	188,612	$ 48.54	188,612	$ 431,480,660
August 1-31	181,509	$ 47.15	181,509	$ 422,921,757
September 1-30	197,759	$ 45.66	197,759	$ 413,891,828
October 1-31	223,047	$ 42.72	223,047	$ 1,404,363,449
November 1-30	5,387,545	$ 41.09	5,387,545	$ 1,182,970,041
December 1-31	3,674,279	$ 43.58	3,674,279	$ 1,022,830,101
Total	11,182,983	$ 42.67	11,182,983	

Subsequent Event

On February 19, 2015, our Board declared a cash dividend of $0.25 per share on our common stock. The dividend is payable on March 19, 2015 to stockholders of record at the close of business on March 5, 2015.

Cash Flows 2014 versus 2013

Operating activities. Net cash provided by operating activities was $1,093 million for the year ended December 31, 2014, compared to $901 million for the year ended December 31, 2013. This increase was driven by the Adjusted EBITDA performance described above and by the timing of vendor payments. Our key collections performance measure, days billing outstanding (DBO), increased by 1 day for the year ended December 31, 2014 compared to a 1 day decrease for the year ended December 31, 2013.

Investing activities. Net cash used in investing activities was $732 million for the year ended December 31, 2014, compared to $687 million for the year ended December 31, 2013. The primary driver for the increased usage of cash from investing activities was the increase in capital expenditures for the year ended December 31, 2014 as compared to the same period of 2013.

Financing activities. Net cash used in financing activities was $585 million for the year ended December 31, 2014, compared to net cash provided by of $83 million for the year ended December 31, 2013. The increase in cash used in financing activities is primarily due to the higher share repurchasing and dividend payments, as described in the "Dividends and Share Repurchase Program" section above, during the year ended December 31, 2014 as compared to the same period of 2013.

Cash Flows 2013 versus 2012

Operating activities. Net cash provided by operating activities was $901 million for the year ended December 31, 2013, compared to $784 million for the year ended December 31, 2012. This increase was driven by the Adjusted EBITDA performance described above and by the timing of vendor and employee payroll payments. Our key collections performance measure, days billing outstanding (DBO), decreased by 1 day for the year ended December 31, 2013 compared to a 1 day increase for the year ended December 31, 2012.

Investing activities. Net cash used in investing activities was $687 million for the year ended December 31, 2013, compared to $522 million for the year ended December 31, 2012. The primary driver for the increased usage of cash from investing activities was the increase in acquisition payments in connection with the Arbitron acquisition partially offset by proceeds received from the sale of our Expositions business.

Financing activities. Net cash provided by financing activities was $83 million for the year ended December 31, 2013, compared to a use of $298 million for the year ended December 31, 2012. The increase in cash provided by financing activities was driven by proceeds from the issuances of debt, partially offset by dividends paid on our common stock and debt repayments.

Capital Expenditures

Investments in property, plant, equipment, software and other assets totaled $412 million, $374 million and $358 million in 2014, 2013 and 2012, respectively.

Commitments and Contingencies

Outsourced Services Agreements

In February 2013, we amended our Amended and Restated Master Services Agreement (the “MSA”), dated as of October 1, 2007 with Tata America International Corporation and Tata Consultancy Services Limited (jointly, “TCS”). The term of the MSA has been extended for an additional three years, so as to expire on December 31, 2020, with a one-year renewal option granted to Nielsen. In addition, we have increased our commitment to purchase services from TCS (the “Minimum Commitment”) from $1.0 billion to $2.5 billion over the life of the contract (from October 1, 2007), including a commitment to purchase at least $100 million in services per year (the “Annual Commitment”) until the Minimum Commitment is met. TCS’ charges under the separate Global Infrastructure Services Agreement between the parties will be credited against the Minimum Commitment and the Annual Commitment. TCS will globally provide us with professional services relating to information technology (including application development and maintenance), business process outsourcing, client service knowledge process outsourcing, management sciences, analytics, and financial planning and analytics. As we order specific services under the Agreement, the parties will execute Statements Of Work (“SOWs”) describing the specific scope of the services to be performed by TCS. The amount of the Minimum Commitment and the Annual Commitment may be reduced on the occurrence of certain events, some of which also provide us with the right to terminate the Agreement or SOWs, as applicable.

Cyprus Agreement

On March 25, 2013, Cyprus and certain members of the European Union reached an agreement on measures intended to restore the viability of the financial sector of Cyprus. As part of these measures Cyprus has agreed to downsize its local financial sector including:

(1)

The immediate dissolution of Cyprus Popular Bank under which equity shareholders, bondholders and uninsured depositors (defined as those with deposits in excess of €100 thousand) will contribute to make up the losses of the bank; and

(2) The recapitalization of the Bank of Cyprus (“BoC”) through a deposit/equity conversion of uninsured deposits, with full contribution of equity shareholders and bondholders. Currently 37.5% of uninsured deposits of BoC have been converted into Class A shares with voting and dividend rights. An additional 22.5% have been “frozen” and may also be partially or fully used to issue new Class A shares, as necessary.

As a result of this agreement, during the year ended December 31, 2013, we recorded a charge of $4 million in selling, general and administrative expenses in the consolidated statement of operations representing the uninsured deposits either contributed to make up losses of Cyprus Popular Bank or converted into Class A shares of BoC, as described above. We do not expect this agreement to significantly impact future operating results.

Other Contractual Obligations

Our other contractual obligations include capital lease obligations (including interest portion), facility leases, leases of certain computer and other equipment, agreements to purchase data and telecommunication services, the payment of principal and interest on debt and pension fund obligations.

At December 31, 2014, the minimum annual payments under these agreements and other contracts that had initial or remaining non-cancelable terms in excess of one year are as listed in the following table. Due to the uncertainty with respect to the timing of future cash flows associated with our unrecognized tax benefits at December 31, 2014, we are unable to make reasonably reliable estimates of the timing of any potential cash settlements with the respective taxing authorities. Therefore, $493 million of unrecognized tax benefits (which includes interest and penalties of $41 million) have been excluded from the contractual obligations table below. See Note 14 – "Income Taxes" – to the consolidated financial statements for a discussion on income taxes.

	Payments due by period						
(IN MILLIONS)	Total	2015	2016	2017	2018	2019	Thereafter
Capital lease obligations[a]	$160	$24	$24	$22	$15	$13	$ 62
Operating leases[b]	366	87	71	60	51	37	60
Other contractual obligations[c]	1,017	666	245	64	35	7	—
Long-term debt, including current portion[a]	6,744	379	128	640	212	1,042	4,343
Interest[d]	1,544	263	245	239	226	205	366
Pension fund obligations[e]	28	28	—	—	—	—	—
Total	$9,859	$1,447	$713	$1,025	$539	$1,304	$ 4,831

(a) Our short-term and long-term debt obligations, including capital lease and other financing obligations, are described in Note 11 – "Long-Term Debt and Other Financing Arrangements" – to our consolidated financial statements.

(b) Our operating lease obligations are described in Note 16 – "Commitments and Contingencies" – to our consolidated financial statements.

(c) Other contractual obligations represent obligations under agreement, which are not unilaterally cancelable by us, are legally enforceable and specify fixed or minimum amounts or quantities of goods or services at fixed or minimum prices. We generally require purchase orders for vendor and third party spending. The amounts presented above represent the minimum future annual services covered by purchase obligations including data processing, building maintenance, equipment purchasing, photocopiers, land and mobile telephone service, computer software and hardware maintenance, and outsourcing. Our remaining commitments as of December 31, 2014 under the outsourced services agreements with TCS have been included above on an estimated basis over the years within the contractual period in which we expect to satisfy our obligations. As of December 31, 2014, the remaining TCS commitment was approximately $609 million.

(d) Interest payments consist of interest on both fixed-rate and variable-rate debt based on LIBOR as of December 31, 2014.

(e) Our contributions to pension and other post-retirement defined benefit plans were $35 million, $51 million and $64 million during 2014, 2013 and 2012, respectively. Future minimum pension and other post-retirement benefits contributions are not determinable for time periods after 2015. See Note 10 – "Pensions and Other Post-Retirement Benefits" – to our consolidated financial statements for a discussion on plan obligations.

Guarantees and Other Contingent Commitments

At December 31, 2014, we were committed under the following significant guarantee arrangements:

Sub-lease guarantees. We provide sub-lease guarantees in accordance with certain agreements pursuant to which we guarantee all rental payments upon default of rental payment by the sub-lessee. To date, we have not been required to perform under such arrangements, and do not anticipate making any significant payments related to such guarantees and, accordingly, no amounts have been recorded.

Letters of credit. Letters of credit issued and outstanding amount to $6 million at December 31, 2014.

Legal Proceedings and Contingencies

We are subject to litigation and other claims in the ordinary course of business, some of which include claims for substantial sums. Accruals have been recorded when the outcome is probable and can be reasonably estimated. While the ultimate results of claims and litigation cannot be determined, we expect that the ultimate disposition of these matters will not have a material adverse effect on our operations or financial condition. However, depending on the amount and the timing, an unfavorable resolution of some or all of these matters could materially affect our future results of operations or cash flows in a particular period.

Off-Balance Sheet Arrangements

Except as disclosed above, we have no off-balance sheet arrangements that currently have or are reasonably likely to have a material effect on our consolidated financial condition, changes in financial condition, results of operations, liquidity, capital expenditure or capital resources.

Summary of Recent Accounting Pronouncements

Foreign Currency Matters

In March 2013, the FASB issued an accounting update, “Parent’s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity”, to resolve the diversity in practice regarding the release into net income of the cumulative translation adjustment upon derecognition of a subsidiary or group of assets within a foreign entity. The amendment requires an entity that ceases to have a controlling financial interest in a subsidiary or group of assets within a foreign entity to release any related cumulative translation adjustment into net income. Accordingly, the cumulative translation adjustment should be released into net income only if the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets had resided. This guidance is effective for our interim and annual reporting periods in 2014. The adoption of this update did not have a significant impact on our consolidated financial statements.

Discontinued Operations

In April 2014, the FASB issued an ASU, “Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity”, that raises the threshold for a disposal to qualify as a discontinued operation and requires new disclosures of both discontinued operations and certain other disposals that do not meet the definition of a discontinued operation. The ASU is aimed at reducing the frequency of disposals reported as discontinued operations by focusing on strategic shifts that have or will have a major effect on an entity’s operations and financial reports. In addition, the guidance permits companies to have continuing cash flows and significant continuing involvement with the disposed component. The ASU is effective for interim and annual reporting periods beginning after December 15, 2014 and must be applied prospectively. Early adoption is permitted for disposals (or classifications as held for sale) that have not been reported in financial statements previously issued or available for issue. The adoption of this ASU is not expected to have a significant impact on our consolidated financial statements.

Revenue Recognition

In May 2014, the FASB issued an ASU, “Revenue from Contracts with Customers”. The new revenue recognition standard provides a five step analysis of transactions to determine when and how revenue is recognized. The new model will require revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. This ASU is effective for annual periods beginning after December 15, 2016 and shall be applied retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. We are currently assessing the impact of the adoption of this ASU will have on our consolidated financial statements, including which transition method will be applied.

Going Concern

In August 2014, the FASB issued an ASU, “Presentation of Financial Statements-Going Concern: Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern”. The new standard defines management's responsibility to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. This guidance will be effective for all entities in the first annual period ending after December 15, 2016; however, early adoption is permitted. The adoption of this ASU is not expected to have a significant impact on our consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential loss arising from adverse changes in market rates and market prices such as interest rates, foreign currency exchange rates, and changes in the market value of equity instruments. We are exposed to market risk, primarily related to foreign exchange and interest rates. We actively monitor these exposures. Historically, in order to manage the volatility relating to these exposures, we entered into a variety of derivative financial instruments, mainly interest rate swaps, cross-currency swaps and forward rate agreements. Currently we only employ basic contracts, that is, without options, embedded or otherwise. Our objective is to reduce, where it is deemed appropriate to do so, fluctuations in earnings, cash flows and the value of our net investments in subsidiaries resulting from changes in interest rates and foreign currency rates. It is our policy not to trade in financial instruments.

Foreign Currency Exchange Rate Risk

We operate globally and we predominantly generate revenues and expenses in local currencies. Because of fluctuations (including possible devaluations) in currency exchange rates or the imposition of limitations on conversion of foreign currencies into our reporting currency, we are subject to currency translation exposure on the profits of our operations, in addition to transaction exposure.

Foreign currency translation risk is the risk that exchange rate gains or losses arise from translating foreign entities' statements of earnings and balance sheets from functional currency to our reporting currency (the U.S. Dollar) for consolidation purposes. Translation risk exposure is managed by creating "natural hedges" in our financing or by using derivative financial instruments aimed at offsetting certain exposures in the statement of earnings or the balance sheet. We do not use derivative financial instruments for trading or speculative purposes.

The table below details the percentage of revenues and expenses by currency for the years ended December 31, 2014 and 2013:

	U.S. Dollars	Euro	Other Currencies
Year ended December 31, 2014			
Revenues	56 %	11 %	33 %
Operating costs	53 %	11 %	36 %
Year ended December 31, 2013			
Revenues	52 %	12 %	36 %
Operating costs	51 %	12 %	37 %

Based on the year ended December 31, 2014, a one cent change in the U.S. dollar/Euro exchange rate would have impacted revenues by approximately $5 million annually, with an immaterial impact on operating income.

We have operations in both our Buy and Watch segments in Venezuela and the functional currency for these operations was the Venezuelan Bolivares Fuertes. Venezuela's currency has been considered hyperinflationary since January 1, 2010 and local currency transactions have been denominated in U.S. dollars since January 1, 2010 and will continue to be until Venezuela's currency is deemed to be non-hyperinflationary.

In February 2013, the Venezuelan government devalued its currency by 32%. The official exchange rate moved from 4.30 to 6.30 and the regulated System of Transactions with Securities in Foreign Currency market was suspended. As a result of this change, we recorded a charge of $12 million in 2013 in foreign currency exchange transaction losses, net in the consolidated statement of operations primarily reflecting the write-down of monetary assets and liabilities.

During 2014, as a result of further changes associated with the Venezuelan currency exchange rate mechanisms, we changed the exchange rate used to remeasure our Venezuelan subsidiaries' financial statements in U.S. dollars. Based on facts and circumstances present at March 31, 2014, we began using the exchange rate determined by periodic auctions for U.S. dollars conducted under Venezuela's Complementary System of Foreign Currency Administration ("SICAD I"). As a result of Exchange Agreement No. 25 between the Central Bank of Venezuela and the Venezuelan government, we believed that any future remittances for royalty and dividend payments would be transacted at the SICAD I exchange rate. Accordingly, because the equity of the Venezuelan subsidiary would be realized through the payment of royalties and dividends, the SICAD I exchange rate represented a more realistic exchange rate at which to remeasure the U.S. dollar value of the bolivar-denominated monetary assets and liabilities of our Venezuelan subsidiaries in the consolidated financial statements. However, since its implementation, we have not been successful in gaining access to U.S. dollars through SICAD I. Due to the lack of access to the SICAD I auction system, as of December 31, 2014 we decided it was more likely that it would be able to gain access to U.S. dollars through the SICAD II mechanism to settle transactions conducted by the Company in Venezuela as it was created to provide an open mechanism that permits any company to request U.S. dollars for any purpose. Accordingly, we concluded that the SICAD II exchange rate should be used to re-measure its bolivar-denominated monetary assets and liabilities as of December 31, 2014. At December 31, 2014, the SICAD II exchange rate was 50.0 bolivars to the U.S. dollar, compared with the official exchange rate of 6.3 bolivars to the U.S. dollar and the SICAD I exchange rate of 12.0 bolivars to the U.S. dollar. As a result of these changes, we recorded a pre-tax charge of $52 million for the year ended December 31, 2014 in foreign currency exchange transaction losses, net in the consolidated statement of operations, reflecting the write-down of monetary assets and liabilities in the our Venezuelan operations.

We will continue to assess the appropriate conversion rate based on events in Venezuela and the Company's specific facts and circumstances.

Interest Rate Risk

We continually review our fixed and variable rate debt along with related hedging opportunities in order to ensure our portfolio is appropriately balanced as part of our overall interest rate risk management strategy and through this process we consider both short-term and long-term considerations in the U.S. and global financial markets in making adjustments to our tolerable exposures to interest rate risk. At December 31, 2014, we had $3,758 million of floating-rate debt under our senior secured credit facilities, of which $2,601 million (excluding $500 million of forward interest swaps effective after December 31, 2014) was subject to effective floating-fixed interest rate swaps. A one percent increase in interest rates applied to our floating rate indebtedness would therefore increase annual interest expense by approximately $12 million ($38 million without giving effect to any of our interest rate swaps).

In November 2014, we entered into a $250 million in notional amount of two-year forward interest swap agreement with a starting date in May 2016. This agreement fixes the LIBOR-related portion of the interest rate of a corresponding amount of the Company's variable-rate debt at an average rate of 1.78%. This derivative instrument has been designated as interest rate cash flow hedge.

In November 2014, we entered into a $250 million in notional amount of two-year forward interest swap agreement with a starting date in September 2015. This agreement fixes the LIBOR-related portion of the interest rate of a corresponding amount of the Company's variable-rate debt at an average rate of 1.26%. This derivative instrument has been designated as interest rate cash flow hedge.

In October and November 2013, we entered into $1,000 million in aggregate notional amount of three-year interest rate swap agreements with starting dates in November 2013. These agreements fix the LIBOR related portion of interest rates of a corresponding amount of our variable-rate debt at a weighted average rate of 0.46%. The commencement date of these interest rate swaps coincided with the $1,000 million aggregate notional amount of interest rate swaps that matured in November 2013. These derivative instruments have been designated as interest rate cash flow hedges.

In July 2013, we entered into $575 million in aggregate notional amount of three-year interest swap agreements with starting dates in July 2013. These agreements fix the LIBOR-related portion of interest rates of a corresponding amount of the Company's variable-rate debt at an average rate of 0.67%. These derivative instruments have been designated as interest rate cash flow hedges.

In November 2012, we entered into $500 million in aggregate notional amount of four-year interest rate swap agreements with starting dates in November 2012. These agreements fix the LIBOR related portion of interest rates of a corresponding amount of our variable-rate debt at a weighted average rate of 0.57%. The commencement date of these interest rate swaps coincided with the $500 million aggregate notional amount of interest rate swaps that matured in November 2012. These derivative instruments have been designated as interest rate cash flow hedges.

In November 2011, we entered into a $125 million notional amount and a €125 million notional amount of four-year interest rate swap agreements with starting dates in November 2011. These agreements fix the LIBOR and Euro LIBOR-related portion of interest rates of a corresponding amount of our variable-rate debt at a rate of 0.84% and 1.30%, respectively. These derivative instruments have been designated as interest rate cash flow hedges.

In August 2011, we entered into $250 million in aggregate notional amount of four-year forward interest swap agreements with starting dates in September 2011. These agreements fix the LIBOR-related portion of interest rates of a corresponding amount of our variable-rate debt at an average rate of 0.84%. These derivative instruments have been designated as interest rate cash flow hedges.

Derivative instruments involve, to varying degrees, elements of non-performance, or credit risk. We do not believe that we currently face a significant risk of loss in the event of non-performance by the counterparties associated with these instruments, as these transactions were executed with a diversified group of major financial institutions with a minimum investment-grade or better credit rating. Our credit risk exposure is managed through the continuous monitoring of our exposures to such counterparties.

Item 8. Financial Statements and Supplementary Data

Nielsen N.V.

Index to Consolidated Financial Statements

Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company and has performed an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2014, based on the framework and criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

Based on this evaluation, management has concluded that our internal controls over financial reporting were effective as of December 31, 2014.

Ernst & Young LLP, independent registered public accounting firm, has provided an attestation report on the Company's internal control over financial reporting. The Company's financial statements included in this annual report on Form 10-K also have been audited by Ernst & Young LLP. Their reports follow.

/s/ Dwight M. Barns	/s/ Jamere Jackson
Dwight M. Barns	Jamere Jackson
Chief Executive Officer	Chief Financial Officer

February 20, 2015

Report of Independent Registered Public Accounting Firm on

Internal Control Over Financial Reporting

The Board and Stockholders

of Nielsen N.V.

We have audited Nielsen N.V.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Nielsen N.V.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on Nielsen N.V.'s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Nielsen N.V. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Nielsen N.V. as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income/(loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2014 of Nielsen N.V. and our report dated February 20, 2015, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New York, New York
February 20, 2015

Report of Independent Registered Public Accounting Firm

The Board and Stockholders

of Nielsen N.V.

We have audited the accompanying consolidated balance sheets of Nielsen N.V. as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income/(loss), changes in equity and cash flows for each of the three years in the period ended December 31, 2014. Our audits also included the financial statement schedules listed in the Index at Item 8. These financial statements and schedules are the responsibility of Nielsen N.V.'s management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Nielsen N.V. at December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Nielsen N.V.'s internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 20, 2015 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

New York, New York
February 20, 2015

Nielsen N.V.

Consolidated Statements of Operations

	Year Ended December 31,		
(IN MILLIONS EXCEPT SHARE AND PER SHARE DATA)	2014	2013	2012
Revenues	$6,288	$5,703	$5,407
Cost of revenues, exclusive of depreciation and amortization shown separately below	2,620	2,398	2,225
Selling, general and administrative expenses, exclusive of depreciation and amortization shown separately below	1,917	1,815	1,724
Depreciation and amortization	573	510	493
Restructuring charges	89	119	85
Operating income	1,089	861	880
Interest income	3	2	4
Interest expense	(300)	(309)	(390)
Foreign currency exchange transaction losses, net	(71)	(25)	(17)
Other expense, net	(100)	(9)	(118)
Income from continuing operations before income taxes and equity in net (loss)/income of affiliates	621	520	359
Provision for income taxes	(236)	(91)	(122)
Equity in net (loss)/income of affiliates	(4)	2	5
Income from continuing operations	381	431	242
Income from discontinued operations, net of tax	—	305	30
Net income	381	736	272
Net loss attributable to noncontrolling interests	(3)	(4)	(1)
Net income attributable to Nielsen stockholders	$384	$740	$273
Net income per share of common stock, basic			
Income from continuing operations	$1.01	$1.16	$0.67
Discontinued operations, net of tax	—	0.81	0.08
Net income attributable to Nielsen stockholders	$1.01	$1.97	$0.75
Net income per share of common stock, diluted			
Income from continuing operations	$1.00	$1.14	$0.66
Discontinued operations, net of tax	—	0.80	0.08
Net income attributable to Nielsen stockholders	$1.00	$1.94	$0.75
Weighted-average shares of common stock outstanding, basic	379,333,037	375,797,629	361,787,868
Dilutive shares of common stock	5,038,415	5,130,337	4,523,116
Weighted-average shares of common stock outstanding, diluted	384,371,452	380,927,966	366,310,984
Dividends declared per common share	$0.95	$0.72	—

The accompanying notes are an integral part of these consolidated financial statements.

Nielsen N.V.

Consolidated Statements of Comprehensive Income/(Loss)

	Year Ended December 31,		
(IN MILLIONS)	2014	2013	2012
Net income	$381	$736	$272
Other comprehensive (loss)/income, net of tax			
Foreign currency translation adjustments [1]	(301)	(99)	74
Available for sale securities [2]	10	9	(1)
Changes in the fair value of cash flow hedges [3]	3	8	1
Defined benefit pension plan adjustments [4]	(109)	30	(105)
Total other comprehensive loss	(397)	(52)	(31)
Total comprehensive (loss)/income	(16)	684	241
Less: comprehensive (loss)/ income attributable to noncontrolling interests	(10)	(2)	2
Total comprehensive (loss)/income attributable to Nielsen stockholders	$(6)	$686	$239

(1) Net of tax of $(7) million, $3 million and $2 million for the year ended December 31, 2014, 2013 and 2012 respectively.

(2) Net of tax of $(7) million, $6 million and zero for the year ended December 31, 2014, 2013 and 2012 respectively.

(3) Net of tax of $(2) million, $5 million and $(1) million for the year ended December 31, 2014, 2013 and 2012 respectively.

(4) Net of tax of $32 million, $18 million and $23 million for the year ended December 31, 2014, 2013 and 2012 respectively.

The accompanying notes are an integral part of these consolidated financial statements

Nielsen N.V.

Consolidated Balance Sheets

(IN MILLIONS, EXCEPT SHARE AND PER SHARE DATA)	December 31, 2014	December 31, 2013
Assets:		
Current assets		
Cash and cash equivalents	$273	$564
Trade and other receivables, net of allowances for doubtful accounts and sales returns of $29 and $39 as of December 31, 2014 and 2013, respectively	1,241	1,196
Prepaid expenses and other current assets	505	374
Total current assets	2,019	2,134
Non-current assets		
Property, plant and equipment, net	533	560
Goodwill	7,671	7,684
Other intangible assets, net	4,715	4,781
Deferred tax assets	83	115
Other non-current assets	355	256
Total assets	$15,376	$15,530
Liabilities and equity:		
Current liabilities		
Accounts payable and other current liabilities	$1,035	$1,026
Deferred revenues	304	306
Income tax liabilities	62	55
Current portion of long-term debt, capital lease obligations and short-term borrowings	397	148
Total current liabilities	1,798	1,535
Non-current liabilities		
Long-term debt and capital lease obligations	6,465	6,492
Deferred tax liabilities	1,025	864
Other non-current liabilities	955	832
Total liabilities	10,243	9,723
Commitments and contingencies (Note 16)		
Equity:		
Nielsen stockholders' equity		
Common stock, €0.07 par value, 1,185,800,000 and 1,185,800,000 shares authorized; 382,622,922 and 379,044,531 shares issued and 372,757,598 and 378,635,464 shares outstanding at December 31, 2014 and 2013, respectively	32	32
Additional paid-in capital	5,929	6,596
Accumulated deficit	(128)	(512)
Accumulated other comprehensive loss, net of income taxes	(777)	(387)
Total Nielsen stockholders' equity	5,056	5,729
Noncontrolling interests	77	78
Total equity	5,133	5,807
Total liabilities and equity	$15,376	$15,530

The accompanying notes are an integral part of these consolidated financial statements.

Nielsen N.V.

Consolidated Statements of Cash Flows

(IN MILLIONS)	Year Ended December 31, 2014	2013	2012
Operating Activities			
Net income	$381	$736	$272
Adjustments to reconcile net income to net cash provided by operating activities:			
Stock-based compensation expense	47	47	34
Gain on sale of discontinued operations	—	(290)	—
Deferred income taxes	105	(107)	47
Currency exchange rate differences on financial transactions and other losses	174	40	141
Equity in net loss/(income) of affiliates, net of dividends received	5	2	3
Depreciation and amortization	573	521	520
Changes in operating assets and liabilities, net of effect of businesses acquired and divested:			
Trade and other receivables, net	(93)	(84)	(13)
Prepaid expenses and other current assets	(76)	21	(18)
Accounts payable and other current liabilities and deferred revenues	(4)	(55)	(190)
Other non-current liabilities	(2)	(6)	(10)
Interest payable	6	13	29
Income taxes	(23)	63	(31)
Net cash provided by operating activities	1,093	901	784
Investing Activities			
Acquisition of subsidiaries and affiliates, net of cash acquired	(314)	(1,249)	(160)
Proceeds from the sale of subsidiaries and affiliates, net	(6)	935	(4)
Additions to property, plant and equipment and other assets	(163)	(130)	(132)
Additions to intangible assets	(249)	(244)	(226)
Other investing activities	—	1	—
Net cash used in investing activities	(732)	(687)	(522)
Financing Activities			
Net borrowings under revolving credit facility	280	—	—
Proceeds from issuances of debt, net of issuance costs	4,544	2,485	1,998
Repayment of debt	(4,598)	(2,171)	(2,230)
(Decrease)/increase in other short-term borrowings	—	(5)	3
Cash dividends paid to stockholders	(356)	(265)	—
Repurchase of common stock	(466)	(11)	—
Proceeds from exercise of stock options	103	85	29
Other financing activities	(92)	(35)	(98)
Net cash (used in)/provided by financing activities	(585)	83	(298)
Effect of exchange-rate changes on cash and cash equivalents	(67)	(21)	5
Net (decrease)/increase in cash and cash equivalents	(291)	276	(31)
Cash and cash equivalents at beginning of period	564	288	319
Cash and cash equivalents at end of period	$273	$564	$288
Supplemental Cash Flow Information			

Cash paid for income taxes	$(154)	$(147)	$(124)
Cash paid for interest, net of amounts capitalized	$(294)	$(304)	$(384)

The accompanying notes are an integral part of these consolidated financial statements.

Nielsen N.V.

Consolidated Statements of Changes in Equity

				Accumulated Other Comprehensive Income (Loss), Net						
(IN MILLIONS)	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Currency Translation Adjustments	Available for Sale Securities	Cash Flow Hedges	Post Employment Benefits	Total Nielsen Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance, December 31, 2011	$ 30	$ 6,427	$ (1,525)	$ (94)	$ 1	$ (14)	$ (192)	$ 4,633	$ 8	$ 4,641
Net income	—	—	273	—	—	—	—	273	(1)	272
Currency translation adjustments, net of tax of $2	—	—	—	71	—	—	—	71	3	74
Unrealized loss on pension liability, net of tax of $23	—	—	—	—	—	—	(105)	(105)	—	(105)
Unrealized loss on available for sale securities, net of tax	—	—	—	—	(1)	—	—	(1)	—	(1)
Cash flow hedges, net of tax of $(1)	—	—	—	—	—	1	—	1	—	1
Noncontrolling interest in a consolidated subsidiary	—	(11)	—	—	—	—	—	(11)	39	28
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	—	(1)	(1)
Shares of common stock issued in business combinations	—	7	—	—	—	—	—	7	—	7
Common stock option activity	—	29	—	—	—	—	—	29	—	29
Stock-based compensation expense	—	33	—	—	—	—	—	33	—	33
Balance, December 31, 2012	$ 30	$ 6,485	$ (1,252)	$ (23)	—	$ (13)	$ (297)	$ 4,930	$ 48	$ 4,978

				Accumulated Other Comprehensive Income (Loss), Net						
(IN MILLIONS)	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Currency Translation Adjustments	Available for Sale Securities	Cash Flow Hedges	Post Employment Benefits	Total Nielsen Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance, December 31, 2012	$ 30	$ 6,485	$ (1,252)	$ (23)	—	$ (13)	$ (297)	$ 4,930	$ 48	$ 4,978
Net income	—	—	740	—	—	—	—	740	(4)	736
Currency translation adjustments, net of tax of $3	—	—	—	(101)	—	—	—	(101)	2	(99)
Unrealized loss on pension liability, net of tax of $18	—	—	—	—	—	—	30	30	—	30
Unrealized gain on available for sale securities, net of tax of $6	—	—	—	—	9	—	—	9	—	9
Cash flow hedges, net of tax of $5	—	—	—	—	—	8	—	8	—	8
Divestiture of an interest in a consolidated subsidiary	—	(29)	—	—	—	—	—	(29)	31	2
Noncontrolling interest in a newly consolidated subsidiary	—	—	—	—	—	—	—	—	1	1
Dividends to stockholders	—	(271)	—	—	—	—	—	(271)	—	(271)
Shares of common stock issued in business combinations	—	3	—	—	—	—	—	3	—	3
Exercise of stock options	1	85	—	—	—	—	—	86	—	86
Repurchase of common stock	—	(11)	—	—	—	—	—	(11)	—	(11)
Stock-based compensation expense	—	47	—	—	—	—	—	47	—	47
Conversion of mandatorily convetable bonds to shares	1	287	—	—	—	—	—	288	—	288
Balance, December 31, 2013	$ 32	$ 6,596	$ (512)	$ (124)	$ 9	$ (5)	$ (267)	$ 5,729	$ 78	$ 5,807

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(IN MILLIONS)	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss), Net: Currency Translation Adjustments	Available for Sale Securities	Cash Flow Hedges	Post Employment Benefits	Total Nielsen Stockholders' Equity	Noncontrolling Interests	Total Equity
Balance, December 31, 2013	$ 32	$ 6,596	$ (512)	$ (124)	$ 9	$ (5)	$ (267)	$ 5,729	$ 78	$ 5,807
Net income	—	—	384	—	—	—	—	384	(3)	381
Currency translation adjustments, net of tax of $(7)	—	—	—	(294)	—	—	—	(294)	(7)	(301)
Unrealized loss on pension liability, net of tax of $32	—	—	—	—	—	—	(109)	(109)	—	(109)
Unrealized gain on available for sale securities, net of tax of $(7)	—	—	—	—	10	—	—	10	—	10
Cash flow hedges, net of tax of $(2)	—	—	—	—	—	3	—	3	—	3
Divestiture of an interest in a consolidated subsidiary	—	—	—	—	—	—	—	—	(1)	(1)
Noncontrolling interest in a newly consolidated subsidiary	—	—	—	—	—	—	—	—	11	11
Dividends to stockholders	—	(359)	—	—	—	—	—	(359)	(1)	(360)
Shares of common stock issued in business combinations	—	3	—	—	—	—	—	3	—	3
Exercise of stock options	—	108	—	—	—	—	—	108	—	108
Repurchase of common stock	—	(466)	—	—	—	—	—	(466)	—	(466)
Stock-based compensation expense	—	47	—	—	—	—	—	47	—	47
Balance, December 31, 2014	$ 32	$ 5,929	$ (128)	$ (418)	$ 19	$ (2)	$ (376)	$ 5,056	$ 77	$ 5,133

The accompanying notes are an integral part of these consolidated financial statements.

Nielsen N.V.

Notes to Consolidated Financial Statements

1. Description of Business, Basis of Presentation and Significant Accounting Policies

On May 17, 2006, Nielsen N.V. (the "Company" or "Nielsen"), formerly known as Nielsen Holdings N.V., Valcon Acquisition Holding B.V. and Nielsen Holdings B.V., was formed by investment funds associated with AlpInvest Partners, The Blackstone Group, The Carlyle Group, Hellman & Friedman, Kohlberg Kravis Roberts & Co., and Thomas H. Lee Partners (collectively, and with subsequent investor Centerview Partners, the "Sponsors") as a subsidiary of Valcon Acquisition Holding (Luxembourg) S.à r.l. ("Luxco"). On May 24, 2006, The Nielsen Company B.V. ("TNC B.V.") (formerly VNU Group B.V. and VNU N.V.) was acquired through a tender offer to stockholders by Valcon Acquisition B.V. ("Valcon"), a wholly owned subsidiary of the Company (herein referred to as the "Valcon Acquisition"). On January 31, 2011, Nielsen completed an initial public offering of 82,142,858 shares of its €0.07 par value common stock at a price of $23.00 per share. Nielsen's common stock is listed on the New York Stock Exchange and is traded under the symbol "NLSN." During 2012, 2013 and 2014, Luxco and certain Nielsen employees (the "selling shareholders") completed public offerings totaling 216,703,942 shares of our stock at a weighted average price of $37.84 per share. All proceeds went to the selling stockholders and the offering did not have a significant impact on our operating results or financial position. As of December 31, 2014, Luxco owned approximately 15% of the Company's common stock.

Nielsen, together with its subsidiaries, is a leading global information and measurement company that provides clients with a comprehensive understanding of consumers and consumer behavior. Nielsen is aligned into two reportable segments: what consumers buy ("Buy"), what consumers watch and listen to ("Watch"). Nielsen has a presence in more than 100 countries, with its headquarters located in Diemen, the Netherlands and New York, USA. See Note 17 – "Segments" for a discussion of the Company's reportable segments.

The accompanying consolidated financial statements are presented in conformity with U.S. generally accepted accounting principles ("GAAP"). All amounts are presented in U.S. Dollars ("$"), except for share and per share data or where expressly stated as being in other currencies, e.g., Euros ("€"). The consolidated financial statements include the accounts of Nielsen and all subsidiaries and other controlled entities. Supplemental cash flows from discontinued operations are presented in Note 4 to the consolidated financial statements "Discontinued Operations." The Company has evaluated events occurring subsequent to December 31, 2014 for potential recognition or disclosure in the consolidated financial statements and concluded there were no subsequent events that required recognition or disclosure other than those provided.

Consolidation

The consolidated financial statements include the accounts of Nielsen and all subsidiaries and other controlled entities. Noncontrolling interests in subsidiaries are reported as a component of equity in the consolidated financial statements with disclosure on the face of the consolidated statements of operations of the amounts of consolidated net income attributable to Nielsen stockholders and to the noncontrolling interests. The equity method of accounting is used for investments in affiliates and joint ventures where Nielsen has significant influence but not control, usually supported by a shareholding of between 20% and 50% of the voting rights. Investments in which Nielsen owns less than 20% and does not have significant influence are accounted for either as available-for-sale securities if the shares are publicly traded or as cost method investments. Intercompany accounts and transactions between consolidated companies have been eliminated in consolidation.

Foreign Currency Translation

Nielsen has significant investments outside the United States, primarily in the Euro-zone, Canada and the United Kingdom. Therefore, changes in the value of foreign currencies affect the consolidated financial statements when translated into U.S. Dollars. The functional currency for substantially all subsidiaries outside the U.S. is the local currency. Financial statements for these subsidiaries are translated into U.S. Dollars at period-end exchange rates as to the assets and liabilities and monthly average exchange rates as to revenues, expenses and cash flows. For these countries, currency translation adjustments are recognized in stockholders' equity as a component of accumulated other comprehensive income/(loss), net, whereas transaction gains and losses are recognized in foreign exchange transaction (losses)/gains, net in the consolidated statement of operations.

Nielsen has operations in both the Buy and Watch segments in Venezuela and the functional currency for these operations was the Venezuelan Bolivares Fuertes. Venezuela's currency has been considered hyperinflationary since January 1, 2010 and, accordingly, the local currency transactions have been denominated in U.S. dollars since January 1, 2010 and will continue to be until Venezuela's currency is deemed to be non-hyperinflationary.

In February 2013, the Venezuelan government devalued its currency by 32%. The official exchange rate moved from 4.30 to 6.30 and the regulated System of Transactions with Securities in Foreign Currency market was suspended. As a result of this change, Nielsen recorded a pre-tax charge of $12 million during the first quarter of 2013 in foreign currency exchange transaction gains/(losses), net line in the condensed consolidated statement of operations primarily reflecting the write-down of monetary assets and liabilities.

During 2014, as a result of further changes associated with the Venezuelan currency exchange rate mechanisms, the Company changed the exchange rate used to remeasure its Venezuelan subsidiaries' financial statements in U.S. dollars. Based on facts and circumstances present at March 31, 2014, Nielsen began using the exchange rate determined by periodic auctions for U.S. dollars conducted under Venezuela's Complementary System of Foreign Currency Administration ("SICAD I"). As a result of Exchange Agreement No. 25 between the Central Bank of Venezuela and the Venezuelan government, the Company believed that any future remittances for royalty and dividend payments would be transacted at the SICAD I exchange rate. Accordingly, because the equity of the Venezuelan subsidiary would be realized through the payment of royalties and dividends, the SICAD I exchange rate represented a more realistic exchange rate at which to remeasure the U.S. dollar value of the bolivar-denominated monetary assets and liabilities of the Company's Venezuelan subsidiaries in the consolidated financial statements. However, since its implementation, the Company has not been successful in gaining access to U.S. dollars through SICAD I. Due to the lack of access to the SICAD I auction system, as of December 31, 2014 the Company decided it was more likely that it would be able to gain access to U.S. dollars through the SICAD II mechanism to settle transactions conducted by the Company in Venezuela as it was created to provide an open mechanism that permits any company to request U.S. dollars for any purpose. Accordingly, the Company concluded that the SICAD II exchange rate should be used to re-measure its bolivar-denominated monetary assets and liabilities as of December 31, 2014. At December 31, 2014, the SICAD II exchange rate was 50.0 bolivars to the U.S. dollar, compared with the official exchange rate of 6.3 bolivars to the U.S. dollar and the SICAD I exchange rate of 12.0 bolivars to the U.S. dollar. As a result of these changes, Nielsen recorded a pre-tax charge of $52 million for the year ended December 31, 2014 in foreign currency exchange transaction losses, net in the consolidated statement of operations, reflecting the write-down of monetary assets and liabilities in the Company's Venezuelan operations.

The Company will continue to assess the appropriate conversion rate based on events in Venezuela and the Company's specific facts and circumstances.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Research and Development Costs

Research and development costs, which were not material for any periods presented, are expensed as incurred.

Revenue Recognition

Nielsen recognizes revenues when persuasive evidence of an arrangement exists, services have been rendered or information has been delivered, the fee is fixed or determinable and the collectability of the related revenue is reasonably assured.

A significant portion of the Company's revenue is generated from information (primarily retail measurement and consumer panel services) and measurement (primarily from television, radio, online and mobile audiences) services. The Company generally recognizes revenue from the sale of services as the services are performed, which is usually ratably over the term of the contract(s). Invoiced amounts are recorded as deferred revenue until earned. Substantially all of the Company's customer contracts are non-cancellable and non-refundable.

Certain of the Company's revenue arrangements include multiple deliverables and in these arrangements, the individual deliverables within the contract that have stand-alone value to the customer are separated and recognized upon delivery based upon the Company's best estimate of their selling prices. These arrangements are not significant to the Company's results of operations. In certain cases, software is included as part of these arrangements to allow Nielsen's customers to view delivered information and is provided for the term of the arrangement and is not significant to the marketing effort and is not sold separately. Accordingly, software provided to Nielsen's customers is considered to be incidental to the arrangements and is not recognized as a separate element.

A discussion of Nielsen's revenue recognition policies, by segment, follows:

Buy

Revenue from the Buy segment, primarily from retail measurement services and consumer panel services is recognized over the period during which the services are performed and information is delivered to the customer, primarily on a straight-line basis.

The Company provides insights and solutions to customers through analytical studies that are recognized into revenue as value is delivered to the customer. The pattern of revenue recognition for these contracts varies depending on the terms of the individual contracts, and may be recognized proportionally or deferred until the end of the contract term and recognized when the information has been delivered to the customer.

Watch

Revenue from the Watch segment is primarily generated from television, radio, online and mobile measurement services and recognized over the contract period, as the service is delivered to the customer, primarily on a straight-line basis.

Deferred Costs

Incremental direct costs incurred related to establishing or significantly expanding a panel in a designated market and costs incurred to build the infrastructure to service new clients, are deferred at the point when Nielsen determines them to be recoverable. Prior to this point, these cost are expensed as incurred. These deferred costs are typically amortized over the original contract period beginning when the panel or electronic metered sample is ready for its intended use.

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred and are reflected as selling, general and administrative expenses in the consolidated statements of operations. These costs include all brand advertising, telemarketing, direct mail and other sales promotion associated with marketing/media research services. Advertising and marketing costs totaled $19 million, $19 million and $18 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Computation of Net Income per Share

Basic net income per share is computed using the weighted-average number of common stock outstanding during the period. Diluted net income per share is computed using the weighted-average number of shares of common stock and dilutive potential shares of common stock outstanding during the period. Dilutive potential shares of common stock primarily consist of employee stock options and restricted stock.

Employee stock options, restricted stock and similar equity instruments granted by the Company are treated as potential common stock outstanding in computing diluted earnings per share. Diluted stock outstanding include restricted stock units and the dilutive effect of in-the-money options which is calculated based on the average share price for each period using the treasury stock method. Under the treasury stock method, the amount the employee must pay for exercising stock options, the amount of compensation cost for future service that the Company has not yet recognized, and the amount of benefits that would be recorded in additional paid-in capital when the award becomes deductible for tax purposes are assumed to be used to repurchase stock.

The two-class method is an earnings allocation method for computing earnings/(loss) per share when a company's capital structure includes either two or more classes of common stock or common stock and participating securities. This method determines earnings/(loss) per share based on dividends declared on common stock and participating securities (i.e., distributed earnings), as well as participation rights of participating securities in any undistributed earnings. The two-class method did not have a significant impact on the calculation or presentation of earnings per share for any of the periods presented.

The effect of 2,437,100, 2,433,400 and 7,698,964 shares of common stock equivalents under stock compensation plans were excluded from the calculation of diluted earnings per share for the years ended December 31, 2014, 2013 and 2012, respectively, as such shares would have been anti-dilutive. Additionally, the Company's mandatory convertible subordinated bonds due 2013 were converted into 10,416,700 shares of common stock on February 1, 2013, and were excluded from the calculation of diluted earnings per share for the year ended December 31, 2012, as such shares would have been anti-dilutive.

Comprehensive Income/(Loss)

Comprehensive income/(loss) is reported in the accompanying consolidated statements of comprehensive income/(loss) and consists of net income or loss and other gains and losses, net of tax affecting equity that are excluded from net income or loss.

Other Significant Accounting Policies

The following table includes other significant accounting policies that are described in other notes to the financial statements, including the related note and page number:

Significant Accounting Policy	Note	Page #
Investments	8	76
Financial Instruments	8	76
Derivative Financial Instruments	8	76
Goodwill and Other Intangible Assets	5	71
Property, Plant and Equipment	7	75
Impairment of Long-Lived Assets	5&7	71 and 75
Pensions and Other Post Retirement Benefits	10	80
Stock-Based Compensation	13	94
Income Taxes	14	97

2. Summary of Recent Accounting Pronouncements

Foreign Currency Matters

In March 2013, the FASB issued an Accounting Standards Update (“ASU”), “Parent’s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity”, to resolve the diversity in practice regarding the release into net income of the cumulative translation adjustment upon derecognition of a subsidiary or group of assets within a foreign entity. The amendment requires an entity that ceases to have a controlling financial interest in a subsidiary or group of assets within a foreign entity to release any related cumulative translation adjustment into net income. Accordingly, the cumulative translation adjustment should be released into net income only if the sale or transfer results in the complete or substantially complete liquidation of the foreign entity in which the subsidiary or group of assets had resided. This guidance is effective for Nielsen’s interim and annual reporting periods in 2014. The adoption of this ASU did not have a significant impact on Nielsen’s consolidated financial statements.

Discontinued Operations

In April 2014, the FASB issued an ASU, “Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity”, that raises the threshold for a disposal to qualify as a discontinued operation and requires new disclosures of both discontinued operations and certain other disposals that do not meet the definition of a discontinued operation. The ASU is aimed at reducing the frequency of disposals reported as discontinued operations by focusing on strategic shifts that have or will have a major effect on an entity’s operations and financial reports. In addition, the guidance permits companies to have continuing cash flows and significant continuing involvement with the disposed component. The ASU is effective for interim and annual reporting periods beginning after December 15, 2014 and must be applied prospectively. Early adoption is permitted for disposals (or classifications as held for sale) that have not been reported in financial statements previously issued or available for issue. The adoption of this ASU is not expected to have a significant impact on the Company's consolidated financial statements.

Revenue Recognition

In May 2014, the FASB issued an ASU, "Revenue from Contracts with Customers". The new revenue recognition standard provides a five step analysis of transactions to determine when and how revenue is recognized. The new model will require revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. This ASU is effective for annual periods beginning after December 15, 2016 and shall be applied retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company is currently assessing the impact of the adoption of this ASU will have on its consolidated financial statements, including which transition method will be applied.

Going Concern

In August 2014, the FASB issued an ASU, “Presentation of Financial Statements-Going Concern: Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern”. The new standard defines management's responsibility to assess an entity's ability to continue as a going concern, and to provide related footnote disclosures in certain circumstances. This guidance will be effective for all entities in the first annual period ending after December 15, 2016; however, early adoption is permitted. The adoption of this ASU is not expected to have a significant impact on the Company’s consolidated financial statements.

3. Business Acquisitions

Arbitron Inc.

On September 30, 2013 (the “Acquisition Date”), Nielsen completed the acquisition of Arbitron Inc., an international media and marketing research firm (“Arbitron”), through the purchase of 100% of Arbitron’s outstanding common stock for a total cash purchase price of $1.3 billion (the “Acquisition”). Arbitron is expected to help Nielsen better address client needs in unmeasured areas of media consumption, including streaming audio and out-of-home and Nielsen’s global distribution footprint can help expand Arbitron’s capabilities outside of the U.S. With Arbitron’s assets, Nielsen intends to further expand its Watch segment’s audience measurement across screens and forms of listening. Arbitron has been rebranded Nielsen Audio.

As a part of the Acquisition, Nielsen acquired the remaining 49.5% interest in Scarborough Research, a joint venture between Nielsen and Arbitron (“Scarborough”) that Nielsen historically accounted for under the equity method of accounting. Nielsen accounted for this transaction as a step-acquisition and calculated the fair value of its investment immediately before the acquisition to be $75 million. As a result, during the third quarter of 2013, Nielsen recorded a $24 million gain on its investment in Scarborough to other expense, net in the consolidated statement of operations. As of October 1, 2013, the financial results of Scarborough were included within the consolidated financial statements of Nielsen.

The Acquisition was accounted for using the acquisition method of accounting which requires, among other things, the assets acquired and the liabilities assumed be recognized at their fair values as of the acquisition date. Since the date of the acquisition occurred on the last day of the quarter, the results of Arbitron were included within Company’s consolidated financial statements commencing October 1, 2013. The Company’s consolidated statement of operations for the year ended December 31, 2013 includes $134 million of revenues related to the Arbitron acquisition.

The purchase price was allocated based upon the fair value of the assets acquired and liabilities assumed at the date of acquisition. The following table summarizes the purchase price allocation:

(IN MILLIONS)	
Fair value of business combination:	
Cash paid for Arbitron common stock	$1,296
Accrued payment for directors’ and employees’ equity awards pertaining to pre-merger service	42
Accrued dividend payment on Arbitron common stock	3
Fair value of previously held equity interest in Scarborough	75
Total	$1,416

Identifiable assets acquired and liabilities assumed:	
Cash	$136
Other current assets	129
Property and equipment	32
Goodwill	947
Amortizable intangible assets	472
Other long term assets	2
Deferred revenue	(47)
Other current liabilities	(53)
Deferred tax liabilities	(184)
Other long term liabilities	(18)
Total	$1,416

As of the Acquisition Date, the expected fair value of accounts receivable approximated historical cost. The gross contractual receivable was $64 million, of which $4 million was deemed uncollectible.

The allocation of the purchase price to goodwill and identified intangible assets was $947 million and $472 million, respectively. All of the Arbitron related goodwill and intangible assets are attributable to the Nielsen's Watch segment.

Intangible assets and their estimated useful lives consist of the following:

(IN MILLIONS)		
Description	Amount	Useful Life
Customer –related intangibles	$ 271	10 – 15 years
Computer software	159	5 – 10 years
Trade names and trademarks	31	3 – 5 years
Covenants-not-to-compete	11	1 – 2 years
Total	$ 472	

Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents expected synergies and the going concern nature of Arbitron.

The Company incurred acquisition related expenses of $19 million and $9 million for the years ended December 31, 2013 and 2012, respectively, which primarily consisted of transaction fees, legal, accounting and other professional services that are included in selling, general and administrative expense in the consolidated statement of operations.

The following unaudited pro forma information presents the consolidated results of operations of the Company and Arbitron for the years ended December 31, 2013 and 2012, as if the acquisition had occurred on January 1, 2012, with pro forma adjustments to give effect to amortization of intangible assets, an increase in interest expense from acquisition financing, and certain other adjustments:

	December 31,	
(IN MILLIONS)	2013	2012
Revenues	$6,058	$5,885
Income from continuing operations	$497	$275

The unaudited pro forma results do not reflect any synergies and are not necessarily indicative of the results that the Company would have attained had the acquisition of Arbitron been completed as of the beginning of the reporting period.

Other Acquisitions

For the year ended December 31, 2014, Nielsen paid cash consideration of $314 million associated with both current period and previously executed acquisitions, net of cash acquired. Had that period's acquisitions occurred as of January 1, 2014, the impact on Nielsen's consolidated results of operations would not have been material.

For the year ended December 31, 2013, excluding Arbitron, Nielsen paid cash consideration of $43 million associated with both current period and previously executed acquisitions, net of cash acquired. Had that period's acquisitions occurred as of January 1, 2013, the impact on Nielsen's consolidated results of operations would not have been material.

For the year ended December 31, 2012, Nielsen paid cash consideration of $160 million associated with both current period and previously executed acquisitions, net of cash acquired. Had that period's acquisitions occurred as of

January 1, 2012, the impact on Nielsen's consolidated results of operations would not have been material.

4. Discontinued Operations

In February 2014, Nielsen completed the acquisition of Harris Interactive, Inc., a leading global market research firm, through the purchase of all outstanding shares of Harris Interactive's common stock for $2.04 per share. In June 2014, the Company completed the sale of Harris Interactive European operations ("Harris Europe") to ITWP Acquisitions Limited ("ITWP"), the parent company of Toluna, a leading digital market research and technology company in exchange for a minority stake in ITWP. The consolidated statements of operations reflect the operating results of Harris Europe as a discontinued operation.

In June 2013, the Company completed the sale of its Expositions business, which operates one of the largest portfolios of business-to-business trade shows and conference events in the United States, for total cash consideration of $950 million and recorded a gain of $290 million, net of tax. The consolidated statements of operations reflect the operating results of this business as a discontinued operation.

In March 2013, Nielsen completed the exit and shut down of one of its legacy online businesses and recorded a net loss of $3 million associated with this exit. The consolidated statements of operations reflect the operating results of this business as a discontinued operation.

Summarized results of operations for discontinued operations for the years ended December 31, 2014, 2013 and 2012 are as follows:

	Year Ended December 31,		
(IN MILLIONS)	2014	2013	2012
Revenue	$15	$103	$205
Operating income	—	35	72
Interest expense	—	(8)	(23)
Income from operations before income taxes	—	27	49
Provision for income taxes	—	(12)	(18)
Income from operations	—	15	31
Net income/(loss) attributable to noncontrolling interests	—	—	1
Gain on sale, net of tax	—	290	—
Income from discontinued operations	$—	$305	$30

Nielsen allocated a portion of its consolidated interest expense to discontinued operations based upon the ratio of net assets sold as a proportion of consolidated net assets. For the years ended December 31, 2014, 2013 and 2012, interest expense of zero, $8 million and $23 million, respectively was allocated to discontinued operations.

Following are the major categories of cash flows from discontinued operations, as included in Nielsen's consolidated statements of cash flows:

	Year Ended December 31,		
(IN MILLIONS)	2014	2013	2012
Net cash provided by operating activities	$—	$ 36	$67
Net cash provided by investing activities	—	—	(11)
Net cash provided by financing activities	—	—	—
	$—	$ 36	$56

5. Goodwill and Other Intangible Assets

Goodwill

Goodwill and other indefinite-lived intangible assets, consisting of certain trade names and trademarks, are each tested for impairment on an annual basis and whenever events or circumstances indicate that the carrying amount of such asset may not be recoverable. Nielsen has designated October 1st as the date in which the annual assessment is performed as this timing corresponds with the development of the Company's formal budget and business plan review. Nielsen reviews the recoverability of its goodwill by comparing the estimated fair values of reporting units with their respective carrying amounts. The Company established, and continues to evaluate, its reporting units based on its internal reporting structure and defines such reporting units at its operating segment level or one level below. The estimates of fair value of a reporting unit are determined using a combination of valuation techniques, primarily an income approach using a discounted cash flow analysis supplemented by a market-based approach.

A discounted cash flow analysis requires the use of various assumptions, including expectations of future cash flows, growth rates, discount rates and tax rates in developing the present value of future cash flow projections. The market-based approach utilizes available market comparisons such as indicative industry multiples that are applied to current year revenue and earnings as well as recent comparable transactions.

The impairment test for other indefinite-lived intangible assets consists of a comparison of the fair value of the intangible asset with its carrying amount. If the carrying amount of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. The estimates of fair value of trade names and trademarks are determined using a "relief from royalty" discounted cash flow valuation methodology. Significant assumptions inherent in this methodology include estimates of royalty rates and discount rates. Discount rate assumptions are based on an assessment of the risk inherent in the respective intangible assets. Assumptions about royalty rates are based on the rates at which comparable trade names and trademarks are being licensed in the marketplace. There was no impairment noted in any period presented with respect to the Company's indefinite-lived intangible assets.

Nielsen is required to assess whether the value of the Company's amortizable intangible assets have been impaired whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Nielsen does not perform a periodic assessment of assets for impairment in the absence of such information or indicators. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used or a significant adverse change that would indicate that the carrying amount of an asset or group of assets is not recoverable. Recoverability of assets that are held and used is measured by comparing the sum of the future undiscounted cash flows expected to be derived from an asset (or a group of assets) to their carrying value. If the carrying value of the asset (or the group of assets) exceeds the sum of the future undiscounted cash flows, impairment is considered to exist. If impairment is considered to exist based on undiscounted cash flows, the impairment charge is measured using an estimation of the assets' fair value, typically using a discounted cash flow method. The identification of impairment indicators, the estimation of future cash flows and the determination of fair values for assets (or groups of assets) requires Nielsen to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows and applicable discount rates. These estimates are subject to revision as market conditions and our assessments change. There was no impairment noted in any period presented with respect to the Company's amortizable intangible assets.

Goodwill and other indefinite-lived intangible assets are stated at historical cost less accumulated impairments losses, if any.

The table below summarizes the changes in the carrying amount of goodwill by reportable segment for the years ended December 31, 2014 and 2013, respectively.

(IN MILLIONS)	Buy	Watch	Expositions	Total
Balance, December 31, 2012(a)	$3,061	$3,726	$ 565	$7,352
Acquisitions, divestitures and other adjustments	17	945	(565)	397
Effect of foreign currency translation	(73)	8	-	(65)
Balance, December 31, 2013	$3,005	$4,679	$ -	$7,684
Acquisitions, divestitures and other adjustments	202	4	-	206
Effect of foreign currency translation	(193)	(26)	-	(219)
Balance, December 31, 2014	$3,014	$4,657	$ -	$7,671
Cummulative Impairments	$-	$376	$ 2	$378

(a) During the fourth quarter of 2013, to conform to a change in management reporting, Nielsen reclassified two products from the Buy segment to the Watch segment. Goodwill by segment has been retrospectively restated to reflect this change.

At December 31, 2014, $73 million of goodwill is expected to be deductible for income tax purposes.

Other Intangible Assets

Intangible assets with finite lives are stated at historical cost, less accumulated amortization and impairment losses. These intangible assets are amortized on a straight-line basis over the following estimated useful lives, which are reviewed annually.

Nielsen has purchased and internally developed software to facilitate its global information processing, financial reporting and client access needs. Costs that are related to the conceptual formulation and design of software programs are expensed as incurred. Costs that are incurred to produce the finished product after technological feasibility has been established are capitalized as an intangible asset and are amortized over the estimated useful life. If events or changes in circumstances indicate that the carrying value of software may not be recovered, a recoverability analysis is performed based on estimated undiscounted cash flows to be generated from the software in the future. If the analysis indicates that the carrying value is not recoverable from the future cash flows, the software cost is written down to estimate fair value and an impairment is recognized. These estimates are subject to revision as market conditions and as our assessments change.

The table below summarizes the carrying value of such intangible assets and their estimated useful lives:

			Gross Amounts		Accumulated Amortization	
(IN MILLIONS)	Estimated Useful Lives	Weighted Average	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Indefinite-lived intangibles:						
Trade names and trademarks			$1,921	$ 1,921	$-	$ -
Amortized intangibles:						
Trade names and trademarks	5-20 years	14 years	166	156	(68)	(53)
Customer-related intangibles	6-25 years	22 years	2,938	2,882	(1,054)	(897)
Covenants-not-to-compete	1-7 years	3 years	36	36	(30)	(19)
Computer software	3-10 years	5 years	1,935	1,668	(1,157)	(941)
Patents and other	3-10 years	5 years	105	95	(77)	(67)
Total			$5,180	$ 4,837	$(2,386)	$ (1,977)

The amortization expense for the years ended December 31, 2014, 2013 and 2012 was $404 million, $324 million and $294 million, respectively. These amounts include amortization expense associated with computer software of $217 million, $171 million and $151 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Certain of the trade names associated with Nielsen are deemed indefinite-lived intangible assets, as their associated Nielsen brand awareness and recognition has existed for over 50 years and the Company intends to continue to utilize these trade names. There are also no legal, regulatory, contractual, competitive, economic or other factors that may limit their estimated useful lives. Nielsen reconsiders the remaining estimated useful life of indefinite-lived intangible assets each reporting period.

The Company's 2014, 2013 and 2012 annual assessments did not result in an impairment for any of its underlying reporting units or indefinite-lived intangible assets.

All other intangible assets are subject to amortization. Future amortization expense is estimated to be as follows:

(IN MILLIONS)	
For the year ending December 31:	
2015	$397
2016	340
2017	293
2018	238
2019	191
Thereafter	1,335
Total	$2,794

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6. Changes in and Reclassification out of Accumulated Other Comprehensive Loss by Component

The table below summarizes the changes in accumulated other comprehensive loss, net of tax, by component for the years ended December 31, 2014 and 2013, respectively.

(IN MILLIONS)	Currency Translation Adjustments	Available-for-Sale Securities	Cash Flow Hedges	Post Employment Benefits	Total
Balance December 31, 2013	$ (124)	$ 9	$ (5)	$ (267)	$ (387)
Other comprehensive (loss)/income before reclassifications	(301)	10	(6)	(123)	(420)
Amounts reclassified from accumulated other comprehensive (loss)/income	—	—	9	14	23
Net current period other comprehensive (loss)/income	(301)	10	3	(109)	(397)
Net current period other comprehensive loss attributable to noncontrolling interest	(7)	—	—	—	(7)
Net current period other comprehensive (loss)/income attributable to Nielsen stockholders	(294)	10	3	(109)	(390)
Balance December 31, 2014	$ (418)	$ 19	$ (2)	$ (376)	$ (777)

(IN MILLIONS)	Currency Translation Adjustments	Available-for-Sale Securities	Cash Flow Hedges	Post Employment Benefits	Total
Balance December 31, 2012	$ (23)	$ —	$ (13)	$ (297)	$ (333)
Other comprehensive (loss)/income before reclassifications	(99)	9	(3)	15	(78)
Amounts reclassified from accumulated other comprehensive (loss)/income	—	—	11	15	26
Net current period other comprehensive (loss)/income	(99)	9	8	30	(52)
Net current period other comprehensive income attributable to noncontrolling interest	2	—	—	—	2
Net current period other comprehensive (loss)/income attributable to Nielsen stockholders	(101)	9	8	30	(54)
Balance December 31, 2013	$ (124)	$ 9	$ (5)	$ (267)	$ (387)

The table below summarizes the reclassification of accumulated other comprehensive loss by component for the years ended December 31, 2014 and 2013, respectively.

(IN MILLIONS) Details about Accumulated	Amount Reclassified from Accumulated Other Comprehensive Loss	Affected Line Item in the

Other Comprehensive Income components	Year Ended December 31, 2014	2013	Consolidated Statement of Operations
Cash flow hedges			
Interest rate contracts	$ 15	$ 16	Interest expense
	(6)	(5)	Benefit for income taxes
	$ 9	$ 11	Total, net of tax
Amortization of Post-Employment Benefits			
Actuarial loss	$ 19	$ 17	(a)
	(5)	(2)	Benefit for income taxes
	$ 14	$ 15	Total, net of tax
Total reclassification for the period	$ 23	$ 26	Net of tax

(a) This accumulated other comprehensive loss component is included in the computation of net periodic pension cost.

7. Property, Plant and Equipment

Property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses. Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives.

Nielsen is required to assess whether the value of our long-lived assets, including the Company's buildings, improvements, technical and other equipment have been impaired whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Nielsen does not perform a periodic assessment of assets for impairment in the absence of such information or indicators. Conditions that would necessitate an impairment assessment include a significant decline in the observable market value of an asset, a significant change in the extent or manner in which an asset is used or a significant adverse change that would indicate that the carrying amount of an asset or group of assets is not recoverable. Recoverability of assets that are held and used is measured by comparing the sum of the future undiscounted cash flows expected to be derived from an asset (or a group of assets) to their carrying value. If the carrying value of the asset (or the group of assets) exceeds the sum of the future undiscounted cash flows, impairment is considered to exist. If impairment is considered to exist based on undiscounted cash flows, the impairment charge is measured using an estimation of the assets' fair value, typically using a discounted cash flow method. The identification of impairment indicators, the estimation of future cash flows and the determination of fair values for assets (or groups of assets) requires Nielsen to make significant judgments concerning the identification and validation of impairment indicators, expected cash flows and applicable discount rates. These estimates are subject to revision as market conditions and our assessments change. There was no impairment noted in any period presented with respect to the Company's finite long-lived assets.

The following tables summaries the carrying value of our property, plant and equipment including the associated useful lives:

(IN MILLIONS)	Estimated Useful Life	December 31, 2014	December 31, 2013
Land and buildings	25-50 years	$ 352	$ 350
Information and communication equipment	3-10 years	908	809
Furniture, equipment and other	3-10 years	119	117
		1,379	1,276
Less accumulated depreciation and amortization		(846)	(716)
		$ 533	$ 560

Depreciation and amortization expense from continuing operations related to property, plant and equipment was $162 million, $169 million and $183 million for the years ended December 31, 2014, 2013 and 2012, respectively.

The above amounts include amortization expense on assets under capital leases and other financing obligations of $10 million, $7 million and $7 million for the years ended December 31, 2014, 2013 and 2012, respectively. The net book value of assets under capital leases and other financing obligations was $147 million and $145 million as of December 31, 2014 and 2013, respectively. Capital leases and other financing obligations are comprised primarily of buildings and computer equipment.

Gross and net book value of assets under capital leases were as follows:

(IN MILLIONS)	December 31, 2014		
	Gross Book Value	Accumulated Depreciation	Net Book Value
Land and buildings	$172	$ (60)	$ 112
Information and communication equipment	56	(21)	35
	$228	$ (81)	$ 147

	December 31, 2013		
	Gross Book Value	Accumulated Depreciation	Net Book Value
Land and buildings	$184	$ (59)	$ 125
Information and communication equipment	32	(12)	20
	$216	$ (71)	$ 145

8. Fair Value Measurements

Nielsen’s financial instruments include cash and cash equivalents, investments, long-term debt and derivative financial instruments. These financial instruments potentially subject Nielsen to concentrations of credit risk. To minimize the risk of credit loss, these financial instruments are primarily held with acknowledged financial institutions. The carrying value of Nielsen’s financial instruments approximate fair value, except for differences with respect to long-term, fixed and variable-rate debt and certain differences relating to investments accounted for at cost. The fair value of financial instruments is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques. Cash equivalents have original maturities of three months or less.

In addition, the Company has accounts receivable that are not collateralized. The Buy and Watch segments service high quality clients dispersed across many geographic areas. The Company analyzes the aging of accounts receivable, historical bad debts, customer creditworthiness and current economic trends in determining the allowance for doubtful accounts.

Investments include available-for-sale securities carried at fair value, or at cost if not publicly traded, investments in affiliates, and a trading asset portfolio maintained to generate returns to offset changes in certain liabilities related to deferred compensation arrangements. For the available-for-sale securities, any unrealized holding gains and losses, net of deferred income taxes, are excluded from operating results and are recognized in stockholders’ equity as a component of accumulated other comprehensive income/(loss) net, until realized. Nielsen assesses declines in the value of individual investments to determine whether such decline is other than temporary and thus the investment is impaired by considering available evidence. For the year ended December 31, 2012, the Company recorded a $6 million impairment in other expense, net in the consolidated statement of operations, for a decline in value of an investment in an equity security that was determined to be other-than-temporary. No such impairment was recorded for the years ended December 31, 2014 and 2013.

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, the Company considers the principal or most advantageous market in which the Company would transact, and also considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of non-performance.

There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3: Pricing inputs that are generally unobservable and may not be corroborated by market data.

Financial Assets and Liabilities Measured on a Recurring Basis

The Company's financial assets and liabilities are measured and recorded at fair value, except for equity method investments, cost method investments, and long-term debt. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The Company's assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

The following table summarizes the valuation of the Company's material financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2014 and 2013:

(IN MILLIONS)	December 31, 2014	Level 1	Level 2	Level 3
Assets:				
Investments in equity securities (1)	$ 45	$ 45	—	—
Plan assets for deferred compensation (2)	28	28	—	—
Investment in mutual funds (3)	2	2	—	—
Interest rate swap arrangements (4)	1	—	1	—
Total	$ 76	$ 75	$ 1	—
Liabilities:				
Interest rate swap arrangements (4)	$ 6	—	$ 6	—
Deferred compensation liabilities (5)	28	28	—	—
Total	$ 34	$ 28	$ 6	—

	December 31, 2013	Level 1	Level 2	Level 3
Assets:				
Investments in equity securities (1)	$ 28	$ 28	—	—
Plan assets for deferred compensation (2)	25	25	—	—
Investment in mutual funds (3)	2	2	—	—
Total	$ 55	$ 55	—	—
Liabilities:				
Interest rate swap arrangements (4)	$ 10	—	$ 10	—
Deferred compensation liabilities (5)	25	25	—	—
Total	$ 35	$ 25	$ 10	—

(1) Investments in equity securities are carried at fair value, which is based on the quoted market price at period end in an active market. These investments are classified as available-for-sale with any unrealized gains or losses resulting from changes in fair value recorded, net of tax, as a component of accumulated other comprehensive income/(loss) until realized. Nielsen assesses declines in the value of individual investments to determine whether such decline is other than temporary and thus the investment is impaired by considering available evidence. No impairment charge was recorded for these available-for-sale securities during the years ended December 31, 2014 or 2013.

(2) Plan assets are comprised of investments in mutual funds, which are intended to fund liabilities arising from deferred compensation plans. These investments are carried at fair value, which is based on quoted market prices at period end in active markets. These investments are classified as trading securities with any gains or losses resulting from changes in fair value recorded in other expense, net in the consolidated statements of operations.

(3) Investments in mutual funds are money-market accounts held with the intention of funding certain specific retirement plans.

(4)

Derivative financial instruments include interest rate swap arrangements recorded at fair value based on externally-developed valuation models that use readily observable market parameters and the consideration of counterparty risk.

(5) The Company offers certain employees the opportunity to participate in a deferred compensation plan. A participant's deferrals are invested in a variety of participant directed stock and bond mutual funds and are classified as trading securities. Changes in the fair value of these securities are measured using quoted prices in active markets based on the market price per unit multiplied by the number of units held exclusive of any transaction costs. A corresponding adjustment for changes in fair value of the trading securities is also reflected in the changes in fair value of the deferred compensation obligation.

Derivative Financial Instruments

Nielsen uses interest rate swap derivative instruments principally to manage the risk that changes in interest rates will affect the cash flows of its underlying debt obligations.

To qualify for hedge accounting, the hedging relationship must meet several conditions with respect to documentation, probability of occurrence, hedge effectiveness and reliability of measurement. Nielsen documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions as well as the hedge effectiveness assessment, both at the hedge inception and on an ongoing basis. Nielsen recognizes all derivatives at fair value either as assets or liabilities in the consolidated balance sheets and changes in the fair values of such instruments are recognized currently in earnings unless specific hedge accounting criteria are met. If specific cash flow hedge accounting criteria are met, Nielsen recognizes the changes in fair value of these instruments in accumulated other comprehensive income/(loss).

Nielsen manages exposure to possible defaults on derivative financial instruments by monitoring the concentration of risk that Nielsen has with any individual bank and through the use of minimum credit quality standards for all counterparties. Nielsen does not require collateral or other security in relation to derivative financial instruments. A derivative contract entered into between Nielsen or certain of its subsidiaries and a counterparty that was also a lender under Nielsen's senior secured credit facilities at the time the derivative contract was entered into is guaranteed under the senior secured credit facilities by Nielsen and certain of its subsidiaries (see Note 11 - Long-term Debt and Other Financing Arrangements for more information). Since it is Nielsen's policy to only enter into derivative contracts with banks of internationally acknowledged standing, Nielsen considers the counterparty risk to be remote.

It is Nielsen's policy to have an International Swaps and Derivatives Association ("ISDA") Master Agreement established with every bank with which it has entered into any derivative contract. Under each of these ISDA Master Agreements, Nielsen agrees to settle only the net amount of the combined market values of all derivative contracts outstanding with any one counterparty should that counterparty default. Certain of the ISDA Master Agreements contain cross-default provisions where if the Company either defaults in payment obligations under its credit facility or if such obligations are accelerated by the lenders, then the Company could also be declared in default on its derivative obligations. At December 31, 2014, Nielsen had no material exposure to potential economic losses due to counterparty credit default risk or cross-default risk on its derivative financial instruments.

Interest Rate Risk

Nielsen is exposed to cash flow interest rate risk on the floating-rate U.S. Dollar and Euro Term Loans, and uses floating-to-fixed interest rate swaps to hedge this exposure. For these derivatives, Nielsen reports the after-tax gain or loss from the effective portion of the hedge as a component of accumulated other comprehensive income/(loss) and reclassifies it into earnings in the same period or periods in which the hedged transaction affects earnings, and within the same income statement line item as the impact of the hedged transaction.

In November 2014, the Company entered into a $250 million in notional amount of two-year forward interest swap agreement with a starting date in May 2016. This agreement fixes the LIBOR-related portion of the interest rate of a corresponding amount of the Company's variable-rate debt at an average rate of 1.78%. This derivative instrument has been designated as interest rate cash flow hedge.

In November 2014, the Company entered into a $250 million in notional amount of two-year forward interest swap agreement with a starting date in September 2015. This agreement fixes the LIBOR-related portion of the interest rate of a corresponding amount of the Company's variable-rate debt at an average rate of 1.26%. This derivative instrument has been designated as interest rate cash flow hedge.

In October and November 2013, the Company entered into $1,000 million in aggregate notional amount of three-year interest rate swap agreements with starting dates in November 2013. These agreements fix the LIBOR related portion of interest rates of a corresponding amount of our variable-rate debt at a weighted average rate of 0.46%. The commencement date of these interest rate swaps coincided with the $1,000 million aggregate notional amount of interest rate swaps that matured in November 2013. These derivative instruments have been designated as interest rate cash flow hedges.

In July 2013, the Company entered into $575 million in aggregate notional amount of three-year interest swap agreements with starting dates in July 2013. These agreements fix the LIBOR-related portion of interest rates of a corresponding amount of the Company's variable-rate debt at an average rate of 0.67%. These derivative instruments have been designated as interest rate cash flow hedges.

In November 2012, the Company entered into $500 million in aggregate notional amount of four-year interest rate swap agreements with starting dates in November 2012. These agreements fix the LIBOR related portion of interest rates of a corresponding amount of our variable-rate debt at a weighted average rate of 0.57%. The commencement date of these interest rate swaps coincided with the $500 million aggregate notional amount of interest rate swaps that matured in November 2012. These derivative instruments have been designated as interest rate cash flow hedges.

In November 2011, the Company entered into a $125 million notional amount and a €125 million notional amount of four-year interest rate swap agreements with starting dates in November 2011. These agreements fix the LIBOR and Euro LIBOR-related portion of interest rates of a corresponding amount of the Company's variable-rate debt at a rate of 0.84% and 1.30%, respectively. These derivative instruments have been designated as interest rate cash flow hedges.

In August 2011, the Company entered into $250 million in aggregate notional amount of four-year forward interest swap agreements with starting dates in September 2011. These agreements fix the LIBOR-related portion of interest rates of a corresponding amount of the Company's variable-rate debt at an average rate of 0.84%. These derivative instruments have been designated as interest rate cash flow hedges.

Nielsen expects to recognize approximately $8 million of net pre-tax losses from accumulated other comprehensive loss to interest expense in the next 12 months associated with its interest-related derivative financial instruments.

As of December 31, 2014 the Company had the following outstanding interest rate swaps utilized in the management of its interest rate risk:

	Notional Amount	Maturity Date	Currency
Interest rate swaps designated as hedging instruments			
US Dollar term loan floating-to-fixed rate swaps	$250,000,000	September 2015	US Dollar
US Dollar term loan floating-to-fixed rate swaps	$125,000,000	November 2015	US Dollar
Euro term loan floating-to-fixed rate swaps	€125,000,000	November 2015	Euro
US Dollar term loan floating-to-fixed rate swaps	$1,575,000,000	May 2016	US Dollar
US Dollar term loan floating-to-fixed rate swaps	$500,000,000	November 2016	US Dollar
US Dollar term loan floating-to-fixed rate swaps	$250,000,000	September 2017	US Dollar
US Dollar term loan floating-to-fixed rate swaps	$250,000,000	May 2018	US Dollar

Foreign Currency Risk

Nielsen has managed its exposure to changes in foreign currency exchange rates attributable to certain of its long-term debt through the use of foreign currency swap derivative instruments. When the derivative financial instrument is deemed to be highly effective in offsetting variability in the hedged item, changes in its fair value are recorded in accumulated other comprehensive loss and recognized contemporaneously with the earnings effects of the hedged item.

See Note 11 – "Long-term Debt and Other Financing Arrangements" for more information on the long-term debt transactions referenced in this note.

Fair Values of Derivative Instruments in the Consolidated Balance Sheets

The fair values of the Company's derivative instruments as of December 31, 2014 and December 31, 2013 were as follows:

	December 31, 2014	December 31, 2013
	Accounts Payable	Accounts Payable

Derivatives Designated as Hedging Instruments (IN MILLIONS)	Other Current Assets	Non-Current and Other Current Liabilities	Other Non-Current Liabilities	and Other Current Liabilities	Other Non-Current Liabilities
Interest rate swaps	$1	$ 4	$ 2	$ 2	$ 8

Derivatives in Cash Flow Hedging Relationships

The pre-tax effect of derivative instruments in cash flow hedging relationships for the years ended December 31, 2014, 2013 and 2012 was as follows (amounts in millions):

Derivatives in Cash Flow Hedging Relationships (IN MILLIONS)	Amount of Loss Recognized in OCI on Derivatives (Effective Portion) December 31,			Location of Loss Reclassified from OCI into Income (Effective Portion)	Amount of Loss Reclassified from OCI into Income (Effective Portion) December 31,		
	2014	2013	2012		2014	2013	2012
Interest rate swaps	$ 10	$ 4	$ 23	Interest expense	$ 15	$ 16	$ 25

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

The Company is required, on a nonrecurring basis, to adjust the carrying value for certain assets using fair value measurements. The Company's equity method investments, cost method investments, and non-financial assets, such as goodwill, intangible assets, and property, plant and equipment, are measured at fair value when there is an indicator of impairment and recorded at fair value only when an impairment charge is recognized.

The Company did not measure any material non-financial assets or liabilities at fair value during the years ended December 31, 2014 or 2013.

9. Restructuring Activities

Restructuring charges primarily relate to employee separation packages. The amounts are calculated based on salary levels and past service periods. Severance costs are generally charged to earnings when the employee is notified of the offer.

A summary of the changes in the liabilities for restructuring activities is provided below:

(IN MILLIONS)	Total Initiatives
Balance at December 31, 2011	$ 67
Charges	85
Non cash charges and other adjustments	(6)
Payments	(82)
Balance at December 31, 2012	64
Charges	119
Non cash charges and other adjustments	(4)
Payments	(80)
Balance at December 31, 2013	99
Charges	89
Non cash charges and other adjustments	(3)
Payments	(113)
Balance at December 30, 2014	$ 72

Of the $72 million in remaining liabilities for restructuring actions, $60 million is expected to be paid within one year and is classified as a current liability within the consolidated financial statements as of December 31, 2014.

Productivity Initiatives

The Company recorded $89 million in restructuring charges primarily relating to employee severance associated with productivity initiatives during the year ended December 31, 2014.

The Company recorded $119 million in restructuring charges associated with productivity initiatives during the year ended December 31, 2013. The charges primarily related to employee severance associated with productivity initiatives and contract termination costs.

The Company recorded $85 million in restructuring charges associated with productivity initiatives during the year ended December 31, 2012. Of these amounts, $5 million related to property lease termination charges with the remainder relating to severance costs associated with employee terminations.

10. Pensions and Other Post-Retirement Benefits

Nielsen provides a number of retirement benefits to our employees, including defined benefit pension plans and post-retirement medical plans. Pension costs, in respect of defined benefit pension plans, primarily represent the increase in the actuarial present value of the obligation for pension benefits based on employee service during the year and the interest on this obligation in respect of employee service in previous years, net of the expected return on plan assets. Differences between this expected return and the actual return on these plan assets and actuarial changes are not recognized in the statement of operations, unless the accumulated differences and changes exceed a certain threshold. Nielsen recognizes obligations for contributions to defined contribution pension plans as expenses in the statement of operations as they are incurred.

The determination of benefit obligations and expenses is based on actuarial models. In order to measure benefit costs and obligations using these models, critical assumptions are made with regard to the discount rate, the expected return on plan assets and the assumed rate of compensation increases. Nielsen provides retiree medical benefits to a limited number of participants in the U.S. and have ceased to provide retiree health care benefits to certain of our Dutch retirees. Therefore, retiree medical care cost trend rates are not a significant driver of our post retirement costs. Management reviews these critical assumptions at least annually. Other assumptions involve demographic factors such as turnover, retirement and longevity rates. Management reviews these assumptions periodically and updates them as necessary.

The discount rate is the rate at which the benefit obligations could be effectively settled. For our U.S. plans, the discount rate is based on a bond portfolio that includes only long-term bonds with an Aa rating, or equivalent, from a major rating agency. For the Dutch and other non-U.S. plans, the discount rate is set by reference to market yields on high-quality corporate bonds. Nielsen believes the timing and amount of cash flows related to the bonds in these portfolios are expected to match the estimated payment benefit streams of our plans.

To determine the expected long-term rate of return on pension plan assets, we consider, for each country, the structure of the asset portfolio and the expected rates of return for each of the components. For Nielsen's U.S. plans, a 50 basis point decrease in the expected return on assets would increase pension expense on our principal plans by approximately $1 million per year. A similar 50 basis point decrease in the expected return on assets would increase pension expense on our principal Dutch plans by approximately $3 million per year. The Company assumed that the weighted-averages of long-term returns on our pension plans were 6.0%, 6.0% and 6.2% for the years ended December 31, 2014, 2013 and 2012, respectively. The actual return on plan assets will vary year to year from this assumption. Although the actual return on plan assets will vary from year to year, Nielsen believes it is appropriate to use long-term expected forecasts in selecting our expected return on plan assets. As such, there can be no assurance that the Company's actual return on plan assets will approximate the long-term expected forecasts.

Nielsen sponsors both funded and unfunded defined benefit pension plans (the "Pension Plans") for some of its employees in the Netherlands, the United States and other international locations.

A summary of the activity for the Pension Plans follows:

(IN MILLIONS)	Year Ended December 31, 2014 The Netherlands	United States	Other	Total
Change in projected benefit obligation				
Benefit obligation at beginning of period	$761	$ 336	$643	$1,740
Service cost	4	1	14	19
Interest cost	25	16	26	67
Plan participants' contributions	—	—	2	2
Actuarial losses	137	52	131	320
Benefits paid	(35)	(12)	(22)	(69)
Expenses paid	(2)	—	(3)	(5)
Premiums paid	—	—	(1)	(1)
Amendments	(4)	—	—	(4)
Curtailments	—	(1)	—	(1)
Settlements	—	(12)	(29)	(41)
Effect of foreign currency translation	(102)	—	(63)	(165)
Benefit obligation at end of period	784	380	698	1,862
Change in plan assets				
Fair value of plan assets at beginning of period	736	298	554	1,588
Actual return on plan assets	90	26	86	202
Employer contributions	11	1	23	35
Plan participants' contributions	—	—	2	2
Benefits paid	(35)	(12)	(22)	(69)
Expenses paid	(2)	—	(3)	(5)
Premiums paid	—	—	(1)	(1)
Settlements	—	(12)	(29)	(41)
Insurance	6	—	—	6
Effect of foreign currency translation	(95)	—	(48)	(143)
Fair value of plan assets at end of period	711	301	562	1,574
Funded status	$(73)	$ (79)	$(136)	$(288)
Amounts recognized in the Consolidated Balance Sheets				
Pension assets included in other non-current assets	—	—	35	35
Current liabilities	—	(1)	(2)	(3)
Accrued benefit liability included in other non-current liabilities	(73)	(78)	(169)	(320)
Net amount recognized	$(73)	$ (79)	$(136)	$(288)
Amounts recognized in Accumulated Other Comprehensive Income/(Loss), before tax				
Net loss	$45	$ 46	$65	$156
Settlement loss	—	(1)	(6)	(7)
Amortization of net loss	(5)	(4)	(3)	(12)
Total recognized in other comprehensive income/(loss)	$40	$ 41	$56	$137
Amounts not yet reflected in net periodic benefit cost and included in Accumulated Other Comprehensive Income/(Loss), before tax				
Unrecognized losses	$223	$ 96	$144	$463

(IN MILLIONS)	Year Ended December 31, 2013 The Netherlands	United States	Other	Total
Change in projected benefit obligation				
Benefit obligation at beginning of period	$727	$ 295	$664	$1,686
Service cost	4	—	15	19
Interest cost	25	13	24	62
Plan participants' contributions	—	—	2	2
Actuarial losses/(gains)	12	(8)	(27)	(23)
Benefits paid	(35)	(11)	(21)	(67)
Expenses paid	(2)	—	(3)	(5)
Premiums paid	—	—	(1)	(1)
Amendments	—	—	(1)	(1)
Curtailments	—	—	(13)	(13)
Settlements	—	—	(1)	(1)
Acquisition	—	47	—	47
Effect of foreign currency translation	30	—	5	35
Benefit obligation at end of period	761	336	643	1,740
Change in plan assets				
Fair value of plan assets at beginning of period	707	248	486	1,441
Actual return on plan assets	28	25	46	99
Employer contributions	8	—	43	51
Plan participants' contributions	—	—	2	2
Benefits paid	(35)	(11)	(21)	(67)
Expenses paid	(2)	—	(3)	(5)
Premiums paid	—	—	(1)	(1)
Settlements	—	—	(1)	(1)
Acquisition	—	36	—	36
Effect of foreign currency translation	30	—	3	33
Fair value of plan assets at end of period	736	298	554	1,588
Funded status	$(25)	$ (38)	$(89)	$(152)
Amounts recognized in the Consolidated Balance Sheets				
Pension assets included in other non-current assets	—	—	40	40
Current liabilities	—	(1)	(1)	(2)
Accrued benefit liability included in other non-current liabilities	(25)	(37)	(128)	(190)
Net amount recognized	$(25)	$ (38)	$(89)	$(152)
Amounts recognized in Accumulated Other Comprehensive Income/(Loss), before tax				
Net loss/(gain)	$24	$ (14)	$(56)	$(46)
Amortization of net loss	(6)	(5)	(6)	(17)
Total recognized in other comprehensive income/(loss)	$18	$ (19)	$(62)	$(63)
Amounts not yet reflected in net periodic benefit cost and included in Accumulated Other Comprehensive Income/(Loss), before tax				
Unrecognized losses	$183	$ 55	$88	$326

The total accumulated benefit obligation and minimum liability changes for the Pension Plans were as follows:

(IN MILLIONS)	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Accumulated benefit obligation.	$ 1,803	$ 1,683	$ 1,618

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	Pension Plans with Accumulated Benefit Obligation in Excess of Plan Assets at December 31, 2014			
(IN MILLIONS)	The Netherlands	United States	Other	Total
Projected benefit obligation	$784	$ 380	$590	$1,754
Accumulated benefit obligation	783	380	537	1,700
Fair value of plan assets	711	301	419	1,431

	Pension Plans with Projected Benefit Obligation in Excess of Plan Assets at December 31, 2014			
(IN MILLIONS)	The Netherlands	United States	Other	Total
Projected benefit obligation	$784	$ 380	$590	$1,754
Accumulated benefit obligation	783	380	537	1,700
Fair value of plan assets	711	301	419	1,431

	Pension Plans with Accumulated Benefit Obligation in Excess of Plan Assets at December 31, 2013			
(IN MILLIONS)	The Netherlands	United States	Other	Total
Projected benefit obligation	$761	$ 336	$524	$1,621
Accumulated benefit obligation	756	334	477	1,567
Fair value of plan assets	736	298	395	1,429

	Pension Plans with Projected Benefit Obligation in Excess of Plan Assets at December 31, 2013			
(IN MILLIONS)	The Netherlands	United States	Other	Total
Projected benefit obligation	$761	$ 336	$524	$1,621
Accumulated benefit obligation	756	334	477	1,567
Fair value of plan assets	736	298	395	1,429

Net periodic benefit cost for the years ended December 31, 2014, 2013 and 2012, respectively, includes the following components:

	Net Periodic Pension Costs			
(IN MILLIONS)	The Netherlands	United States	Other	Total
Year ended December 31, 2014				
Service cost	$4	$ 1	$ 14	$ 19
Interest cost	25	16	26	67
Expected return on plan assets	(35)	(21)	(35)	(91)
Settlement loss recognized	—	1	6	7
Amortization of net loss	5	4	3	12
Net periodic pension cost	$(1)	$ 1	$ 14	$ 14
Year ended December 31, 2013				
Service cost	$4	$ —	$ 15	$ 19
Interest cost	25	13	24	62
Expected return on plan assets	(34)	(18)	(31)	(83)
Amortization of net loss	6	5	6	17
Net periodic pension cost	$1	$ —	$ 14	$ 15
Year ended December 31, 2012				
Service cost	$3	$ —	$ 14	$ 17
Interest cost	28	13	25	66
Expected return on plan assets	(34)	(18)	(29)	(81)
Amortization of net loss	3	4	4	11
Net periodic pension cost	$—	$ (1)	$ 14	$ 13

The settlement losses of $7 million in 2014 resulted from annuity purchases for existing retirees in Canada of $5 million, and restructuring actions in Mexico and the US of $1 million, respectively.

The deferred loss included as a component of accumulated other comprehensive income/(loss) that is expected to be recognized as a component of net periodic benefit cost during 2015 is as follows:

	The Netherlands	United States	Other	Total
Net actuarial loss	$ (9)	$ (7)	$ (8)	$ (24)

Actuarial gains and losses are amortized over the average remaining service lives for plans with active participants, and over the average remaining lives for legacy plans with no active participants.

The weighted average assumptions underlying the pension computations were as follows:

	Year Ended December 31,		
(IN MILLIONS)	2014	2013	2012

Pension benefit obligation:			
—discount rate	2.8 %	4.1 %	3.8 %
—rate of compensation increase	2.0 %	2.1 %	2.1 %
Net periodic pension costs:			
—discount rate	4.1 %	3.8 %	4.7 %
—rate of compensation increase	2.1 %	2.1 %	2.0 %
—expected long-term return on plan assets	6.0 %	6.0 %	6.2 %

The assumptions for the expected return on plan assets for the Pension Plans were based on a review of the historical returns of the asset classes in which the assets of the Pension Plans are invested and long-term economic forecast for the type of investments held by the plans. The historical returns on these asset classes were weighted based on the expected long-term allocation of the assets of the Pension Plans.

Nielsen's pension plans' weighted average asset allocations by asset category are as follows:

	The Netherlands	United States	Other	Total
At December 31, 2014				
Equity securities	24 %	58 %	44 %	37 %
Fixed income securities	61	33	49	51
Other	15	9	7	12
Total	100 %	100 %	100 %	100 %
At December 31, 2013				
Equity securities	24 %	62 %	50 %	40 %
Fixed income securities	61	37	43	50
Other	15	1	7	10
Total	100 %	100 %	100 %	100 %

No Nielsen shares are held by the Pension Plans.

Nielsen's primary objective with regard to the investment of the Pension Plans' assets is to ensure that in each individual plan, sufficient funds are available to satisfy future benefit obligations. For this purpose, asset and liability management studies are made periodically at each pension fund. For each of the Pension Plans, an appropriate mix is determined on the basis of the outcome of these studies, taking into account the national rules and regulations. The overall target asset allocation among all plans for 2014 was 40% equity securities and 57% long-term interest-earning investments (debt or fixed income securities), and 3% other investments.

Equity securities primarily include investments in U.S. and non U.S. companies. Fixed income securities include corporate bonds of companies from diversified industries and mortgage-backed securities. Other types of investments are primarily insurance contracts.

Assets at fair value (See Note 8 – "Fair Value Measurements" for additional information on fair value measurement and the underlying fair value hierarchy) as of December 31, 2014 and 2013 are as follows:

(IN MILLIONS)	December 31, 2014				December 31, 2013			
Asset Category	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash and equivalents	$37	$1	$—	$38	$15	$4	$—	$19
Equity securities – U.S.	80	13	—	93	80	72	—	152
Equity securities – Global.	4	292	—	296	7	191	—	198
Equity securities – non-U.S.	29	171	—	200	31	256	—	287
Real estate	—	—	39	39	—	—	39	39
Corporate bonds	111	413	—	524	104	441	—	545
Debt issued by national, state or local government	55	225	—	280	46	201	—	247
Other	—	16	88	104	—	20	81	101
Total Assets at Fair Value	$316	$1,131	$ 127	$1,574	$283	$1,185	$ 120	$1,588

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The following is a summary of changes in the fair value of the Pension Plans' Level 3 assets for the years ended December 31, 2014 and 2013:

(IN MILLIONS)	Real Estate	Other	Total
Balance, end of year December 31, 2012	$ 32	$ 77	$ 109
Actual return on plan assets:			
Investments	6	—	6
Unrealized gains	—	1	1
Effect of foreign currency translation	1	3	4
Balance, end of year December 31, 2013	$ 39	$ 81	$ 120
Actual return on plan assets:			
Investments	4	—	4
Unrealized gains	—	17	17
Effect of foreign currency translation	(4)	(10)	(14)
Balance, end of year December 31, 2014	$ 39	$ 88	$ 127

Real estate investment valuations require significant judgment due to the absence of quoted market prices, the inherent lack of liquidity and the long-term nature of such assets. These assets are initially valued at cost and are reviewed periodically utilizing available and relevant market data to determine if the carrying value of these assets should be adjusted. The valuation methodology is applied consistently from period to period.

Other types of investments categorized as Level 3 are primarily insurance contracts and are valued based on contractual terms.

Contributions to the Pension Plans in 2015 are expected to be approximately $6 million for the Dutch plan, $1 million for the U.S. plan and $21 million for other plans.

Estimated future benefit payments are as follows:

(IN MILLIONS)	The Netherlands	United States	Other	Total
For the years ending December 31,				
2015	$ 32	$ 18	$ 21	$ 71
2016	33	14	21	68
2017	33	14	23	70
2018	33	15	23	71
2019	33	15	24	72
2020-2024	167	88	143	398

Defined Contribution Plans

Nielsen also offers defined contribution plans to certain participants, primarily in the United States. Nielsen's expense related to these plans was $45 million, $39 million and $37 million for the years ended December 31, 2014, 2013 and 2012, respectively. In the United States, Nielsen contributes cash to each employee's account in an amount up to 3% of compensation (subject to IRS limitations); this contribution was increased to 4% upon the freeze of the U.S. defined benefit pension plan in 2006, and was decreased to 3% effective June 8, 2009. No contributions are made in shares of the Company's common stock.

11. Long-term Debt and Other Financing Arrangements

Unless otherwise stated, interest rates are as of December 31, 2014.

(IN MILLIONS)	December 31, 2014 Weighted Interest Rate	Carrying Amount	Fair Value	December 31, 2013 Weighted Interest Rate	Carrying Amount	Fair Value
$2,532 million Senior secured term loan (LIBOR based variable rate of 2.90%) due 2016		—	—		2,507	2,512
$1,222 million Senior secured term loan (LIBOR based variable rate of 2.15%) due 2017		—	—		1,115	1,113
$1,580 million Senior secured term loan (LIBOR based variable rate of 2.16%) due 2019		1,542	1,533		—	—
$500 million Senior secured term loan (LIBOR based variable rate of 2.41%) due 2017		497	493		—	—
$1,100 million Senior secured term loan (LIBOR based variable rate of 3.16%) due 2021		1,094	1,088		—	—
€286 million Senior secured term loan (Euro LIBOR based variable rate of 3.01%) due 2021		345	343		—	—
€289 million Senior secured term loan (Euro LIBOR based variable rate of 3.15%) due 2022		—	—		394	395
$575 million senior secured revolving credit facility (Euro LIBOR or LIBOR based variable rate) due 2019		280	274		—	—
Total senior secured credit facilities (with weighted-average interest rate)	2.65%	3,758	3,731	2.89%	4,016	4,020
$1,080 million 7.75% senior debenture loan due 2018		—	—		1,083	1,172
$800 million 4.50% senior debenture loan due 2020		800	801		800	779
$1,550 million 5.00% senior debenture loan due 2022		1,553	1,554		—	—
$625 million 5.50% senior debenture loan due 2021		625	633		625	636
Total debenture loans (with weighted-average interest rate)	5.23%	2,978	2,988	6.51%	2,508	2,587
Other loans		8	8		5	5
Total long-term debt	3.79%	6,744	6,727	4.28%	6,529	6,612
Capital lease and other financing obligations		118			111	
Total debt and other financing arrangements		6,862			6,640	
Less: Current portion of long-term debt, capital lease and other financing obligations and other short-term borrowings		397			148	
Non-current portion of long-term debt and capital lease and other financing obligations		$ 6,465			$ 6,492	

The fair value of the Company’s long-term debt instruments was based on the yield on public debt where available or current borrowing rates available for financings with similar terms and maturities and such fair value measurements are considered Level 1 or Level 2 in nature, respectively.

The carrying value of Nielsen’s long-term debt are denominated in the following currencies:

(IN MILLIONS)	December 31, 2014	December 31, 2013
U.S. Dollars	$ 6,399	$ 6,135
Euro	345	394
	$ 6,744	$ 6,529

Annual maturities of Nielsen's long-term debt are as follows:

(IN MILLIONS)	
2015	$379
2016	$128
2017	$640
2018	$212
2019	$1,042
Thereafter	$4,343
	$6,744

Common Stock and Mandatory Convertible Bond Offerings and Related Transactions

On January 31, 2011, Nielsen completed an initial public offering of 82,142,858 shares of its €0.07 par value common stock at a price of $23.00 per share, generating proceeds of approximately $1,801 million, net of $88 million of underwriter discounts.

Concurrent with its offering of common stock, the Company issued $288 million in aggregate principal amount of 6.25% Mandatory Convertible Subordinated Bonds due February 1, 2013 ("the Bonds"), generating proceeds of approximately $277 million, net of $11 million of underwriter discounts. On February 1, 2013, the Bonds were converted into 10,416,700 shares of Nielsen's common stock at per share price of $27.60.

Senior Secured Credit Facilities

Term Loan Facilities

In August 2006, certain of Nielsen's subsidiaries entered into the Senior Secured Credit Agreement that was amended and restated in June 2009, February 2012 and February 2013. The Senior Secured Credit Agreement provides for term loan facilities as shown in the table above.

In February 2012, the Senior Secured Credit Agreement was amended and restated to provide for a new five-year amortizing term loan facility in an aggregate principal amount of $1,222 million, the proceeds from which were used to repay a corresponding amount of the existing senior secured term loans due 2013. Borrowings under this new term loan facility bear interest at a rate as determined by the type of borrowing, equal to either the "base rate" or LIBOR rate, plus, in each case, an applicable margin. The applicable margin on base rate loans under this new term loan facility ranges from 0.75% to 1.50% based on a total leverage ratio. The applicable margin on LIBOR loans under this new term loan facility ranges from 1.75% to 2.50% based on the total leverage ratio. Loans under this new term loan facility mature in full in February 2017, but the maturity date shall be January 2016 if at such time there is more than $750 million in the aggregate of existing other term loans under the Senior Secured Credit Agreement with a maturity of May 2016. The loans under this new term loan facility are required to be repaid in an amount equal to 5% of the original principal amount in the first year after the closing date, 5% in the second year, 10% in the third year, 10% in the fourth year and 70% in the fifth year (with payments in each year being made in equal quarterly installments other than the fifth year, in which payments shall be equal to 3.33% of the original principal amount of loans in each of the first three quarters and the remaining principal balance due in February 2017 (unless repayment is required in January 2016 as indicated above)). Loans under this new term loan facility are secured on a pari passu basis with the Company's existing obligations under the Senior Secured Credit Agreement and Senior Secured Loan Agreement.

In February 2013, the Second Amended and Restated Senior Secured Credit Agreement was amended and restated to provide for a new class of term loans (the "Class E Term Loans") in an aggregate principal amount of $2,532 million and €289 million, the proceeds of which were used to repay or replace in full a like amount of the Company's existing Class A Term Loans maturing August 9, 2013, Class B Term Loans maturing May 1, 2016 and Class C Term Loans maturing May 1, 2016. As a result of this transaction, the Company recorded a charge of $12 million primarily related to the write-off of previously capitalized deferred financing fees associated with the Class A, B and C term loans to other expense, net in the consolidated statement of operations.

In April 2014, the Company entered into an amendment agreement to amend and restate the Third Amended and Restated Senior Secured Credit Agreement in the form of the Fourth Amended and Restated Credit Agreement which provides for three new classes of term loans, Class A Term Loans, Class B-1 Term Loans and Class B-2 Term Loans, in a combined principal amount of $3,180 million and €286 million, the proceeds of which, when combined with the net proceeds from the $750 million 5.0% Senior Notes (see "Debenture Loans" below), were used to repay and replace the Company's existing Class D Term Loans maturing in February 2017 and the Class E Term Loans maturing in May 2016. Further in May 2014, the Company completed the redemption of $280 million in principal amount of the then currently outstanding $1,080 million aggregate principal amount of 7.75% Senior Notes due 2018 at a redemption price of 100% of the principal amount thereof plus an applicable “make-whole” premium. As a result of these transactions, the Company recorded a pre-tax charge of $45 million during 2014 to other expense, net in the consolidated statement of operations primarily related to the “make-whole” premium associated with the note redemption, as well as the write-off of certain previously capitalized deferred financing fees associated with the Class D and E term loans and certain costs incurred in connection with the refinancings.

The Class A Term Loans were issued with an aggregate principal balance of $1,580 million, maturing in full in April 2019. The Class A Term Loans shall be required to be repaid in an amount equal to 5% of the original principal amount in the first year after the closing date, 5% in the second year, 7.5% in the third year, 10% in the fourth year, and 72.5% in the fifth year (with payments in each year being made in equal quarterly installments other than the fifth year, in which payments shall be equal to 3.75% of the original principal amount in each of the first three quarters, with the balance repayable on the maturity date). Class A Term Loans bear interest equal to, at our election, a base rate or eurocurrency rate, in each case plus an applicable margin which ranges from 0.50% to 1.25% (in the case of base rate loans) or 1.50% to 2.25% (in the case of eurocurrency rate loans). The specific applicable margin is determined by the Company’s total leverage ratio (as defined in the credit agreement).

The Class B-1 Term Loans were issued with an aggregate principal balance of $500 million, maturing in full in May 2017 and are required to be repaid in equal quarterly installments in aggregate annual amounts equal to 1.00% of the original principal amount of Class B-1 Term Loans, with the balance payable in May 2017. Class B-1 Term Loans bear interest equal to, at our election, a base rate or eurocurrency rate, in each case plus an applicable margin, which is equal to 1.25% (in the case of base rate loans) and 2.25% (in the case of eurocurrency rate loans).

The Class B-2 Term Loans were issued with an aggregate principal balance of $1,100 million and €286 million, maturing in full in April 2021 and are required to be repaid in equal quarterly installments in aggregate annual amounts equal to 1.00% of the original principal amount of Class B-2 Term Loans, with the balance payable in April 2021. Class B-2 Term Loans denominated in dollars bear interest equal to, at our election, a base rate or eurocurrency rate, in each case plus an applicable margin, which is equal to 2.00% (in the case of base rate loans) and 3.00% (in the case of eurocurrency rate loans). Class B-2 Term Loan denominated in Euros bear interest equal to the eurocurrency rate plus an applicable margin of 3.00%.

The Senior Secured Credit Agreement contains a number of covenants that, among other things, restrict, subject to certain exceptions, the ability of Nielsen Holding and Finance B.V. and its restricted subsidiaries (which together constitute most of our subsidiaries) to incur additional indebtedness or guarantees, incur liens and engage in sale and leaseback transactions, make certain loans and investments, declare dividends, make payments or redeem or repurchase capital stock, engage in certain mergers, acquisitions and other business combinations, prepay, redeem or purchase certain indebtedness, amend or otherwise alter terms of certain indebtedness, sell certain assets, transact with affiliates, enter into agreements limiting subsidiary distributions and alter the business they conduct. These entities are restricted, subject to certain exceptions, in their ability to transfer their net assets to Nielsen. Such restricted net assets amounted to approximately $5.0 billion at December 31, 2014. In addition, these entities are required to maintain a maximum total leverage ratio. Neither Nielsen nor TNC B.V. is currently bound by any financial or negative covenants contained in the credit agreement. The Senior Secured Credit Agreement also contain certain customary affirmative covenants and events of default.

The Fourth Amended and Restated Senior Secured Credit Agreement contains substantially the same affirmative covenants as the Third Amended and Restated Senior Secured Credit Agreement. However, certain negative covenants, including the limitation on the ability of Nielsen and certain of its subsidiaries to make investments and restricted payments and incur debt and liens have been amended, and the financial covenant requiring compliance with certain total leverage ratios has been revised and the covenant in respect of interest coverage ratios has been eliminated

Obligations under the Senior Secured Credit Agreement are guaranteed by TNC B.V., substantially all of the wholly owned U.S. subsidiaries of TNC B.V. and certain of the non-U.S. wholly-owned subsidiaries of TNC B.V., and are secured by substantially all of the existing and future property and assets of the U.S. subsidiaries of TNC B.V. and by a pledge of substantially all of the capital stock of the guarantors, the capital stock of substantially all of the U.S. subsidiaries of TNC B.V., and up to 65% of the capital stock of certain of the non-U.S. subsidiaries of TNC B.V. Under a separate security agreement, substantially all of the assets of TNC B.V. are pledged as collateral for amounts outstanding under the senior secured credit facilities.

Revolving Credit Facility

The Senior Secured Credit Agreement also contains a senior secured revolving credit facility under which Nielsen Finance LLC, TNC (US) Holdings, Inc., and Nielsen Holding and Finance B.V. can borrow revolving loans. The revolving credit facility can also be used for letters of credit, guarantees and swingline loans. In March 2011, the Company amended the Senior Secured Credit Agreement to provide for the termination of the existing revolving credit commitments totaling $688 million, which had a final maturity date of

August 2012, and their replacement with new revolving credit commitments totaling $635 million with a final maturity date of April 2016. In May 2014, the existing $635 million revolving credit facility with a final maturity in April 2016 was replaced with new aggregate revolving credit commitments of $575 million with a final maturity of April 2019.

The senior secured revolving credit facility is provided under the Senior Secured Credit Agreement and so contains covenants and restrictions as noted above with respect to the Senior Secured Credit Agreement under the “Term loan facilities” section above. Obligations under the revolving credit facility are guaranteed by the same entities that guarantee obligations under the Senior Secured Credit Agreement and Senior Secured Loan Agreement.

As of December 31, 2014 and 2013, the Company had $280 million and zero borrowings outstanding respectively, and had outstanding letters of credit of $6 million and $12 million, respectively. As of December 31, 2014, the Company had $289 million available for borrowing under the revolving credit facility.

Debenture Loans

The indentures governing the Senior Notes limit the majority of Nielsen’s subsidiaries’ ability to incur additional indebtedness, pay dividends or make other distributions or repurchase its capital stock, make certain investments, enter into certain types of transactions with affiliates, use assets as security in other transactions and sell certain assets or merge with or into other companies subject to certain exceptions. Upon a change in control, Nielsen is required to make an offer to redeem all of the Senior Notes at a redemption price equal to the 101% of the aggregate accreted principal amount plus accrued and unpaid interest. The Senior Notes are jointly and severally guaranteed by Nielsen, substantially all of the wholly owned U.S. subsidiaries of Nielsen, and certain of the non-U.S. wholly-owned subsidiaries of Nielsen.

In April 2014, Nielsen completed the issuance of $750 million in aggregate principal amount of 5.0% Senior Notes due 2022 at par.

In May 2014, the Company completed the redemption of $280 million in principal amount of the then currently outstanding $1,080 million aggregate principal amount of 7.75% Senior Notes due 2018 at a redemption price of 100% of the principal amount thereof plus an applicable “make-whole” premium.

In July 2014, Nielsen completed the issuance of an additional $800 million aggregate principal amount of 5.0% Senior Notes due 2022. The notes are traded interchangeably with the $750 million aggregate principal amount of 5.00% Senior Notes due 2022 issued in April 2014. In addition, in July 2014, the Company redeemed the remaining $800 million of outstanding 7.75% Senior Notes due 2018 at a redemption price of 100% of the principal amount thereof plus an applicable “make-whole” premium. As a result of these transactions, the Company recorded a pre-tax charge of $51 million during 2014 to other expense, net in the consolidated statement of operations primarily related to the “make-whole” premium associated with the note redemption, as well as the write-off of certain previously capitalized deferred financing fees associated with the 7.75% Senior Notes.

In September 2013, the Company issued $625 million aggregate principal amount of 5.50% Senior Notes due 2021 at par, receiving cash proceeds of approximately $616 million, net of fees and expenses. Concurrent with this issuance the Company called for redemption of all of its 11.625% Senior Notes due 2014 effective October 23, 2013, at a redemption price equal to 100% of the principal amount of such 2014 notes redeemed plus accrued and unpaid interest to the redemption date and an “applicable premium” as described in the indenture related to the 2014 note. The redemption of the 11.625% Senior Notes due 2014 resulted in a pre-tax charge of $8 million in other expense, net in the consolidated statements of operations in the fourth quarter of 2013.

In October 2012, the Company issued $800 million aggregate principal amount of 4.50% Senior Notes due 2020 which mature on October 1, 2020 at par, with cash proceeds of approximately $788 million, net of fees and expenses. Concurrent with this issuance, the Company redeemed and subsequently retired all of its 11.50% Senior Notes due 2016 and prepaid its 8.50% Senior Secured Term Loan due 2017. In connection with these transactions, the Company recorded a charge of $115 million in other expense, net in the consolidated statements of operations.

In October and November 2010, the Company issued a combined $1,080 million in aggregate principal amount of 7.75% Senior Notes due 2018 at an issue price of $1,085 million with cash proceeds of approximately $1,065 million, net of fees and expenses.

Other Transactions

Effective July 1, 2010, the Company designated its Euro denominated variable rate senior secured term loans as non-derivative hedges of its net investment in a European subsidiary. Gains or losses attributable to fluctuations in the Euro as compared to the U.S. Dollar associated with this debenture were recorded to the cumulative translation adjustment within stockholders' equity, net of income tax.

Deferred Financing Costs

The costs related to the issuance of debt are capitalized and amortized to interest expense using the effective interest method over the life of the related debt. Deferred financing costs were $50 million for the year ended December 31, 2014 and 2013, respectively.

Related Party Lenders

A portion of the borrowings under the senior secured credit facility, as well as certain of the Company's senior debenture loans, have been purchased by certain of the Sponsors in market transactions not involving the Company. Amounts held by the Sponsors were $222 million and $379 million as of December 31, 2014 and 2013, respectively. Interest expense associated with amounts held by the Sponsors approximated $6 million, $12 million and $20 million during the years ended December 31, 2014, 2013 and 2012, respectively.

Capital Lease and Other Obligations

Nielsen finances certain computer equipment, software, buildings and automobiles under capital leases and related transactions. These arrangements do not include terms of renewal, purchase options, or escalation clauses.

Assets under capital lease are recorded within property, plant and equipment. See Note 7 – "Property, Plant and Equipment."

Future minimum capital lease payments under non-cancelable capital leases at December 31, 2014 are as follows:

(IN MILLIONS)	
2015	$24
2016	24
2017	22
2018	15
2019	13
Thereafter	62
Total	160
Less: amount representing interest	42
Present value of minimum lease payments	$118
Current portion	$18
Total non-current portion	100
Present value of minimum lease payments	$118

Capital leases and other financing transactions have effective interest rates primarily ranging from 8% to 10%. Interest expense recorded related to capital leases and other financing transactions during the years ended December 31, 2014, 2013 and 2012 was $8 million, $9 million and $9 million, respectively. Nielsen recognizes rental income from non-cancelable subleases. The total aggregate future rental income proceeds to be received under the non-cancelable subleases are $3 million.

12. Stockholders' Equity

Common stock activity is as follows:

	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
Actual number of shares of common stock outstanding			
Beginning of period	378,635,464	362,519,883	359,647,605
Shares of common stock converted from Mandatory Convertible Subordinated Bonds due February 2013	-	10,416,700	-
Shares of common stock issued through business combinations	75,083	101,899	246,627
Shares of common stock issued through compensation plans	4,940,195	5,886,821	2,625,651
Repurchases of common stock	(10,893,144)	(289,839)	-
End of period	372,757,598	378,635,464	362,519,883

Cumulative shares of treasury stock were 9,865,324 and 409,067 as of December 31, 2014 and 2013, respectively, with a corresponding value of $415 million and $13 million, respectively.

On January 31, 2013, the Company's board of directors (the "Board") adopted a cash dividend policy to pay quarterly cash dividends on its outstanding common stock. The following table represents the cash dividends declared by the Board and paid for the year ended December 31, 2014.

Declaration Date	Record Date	Payment Date	Dividend Per Share
January 31, 2013	March 6, 2013	March 20, 2013	$ 0.16
May 2, 2013	June 5, 2013	June 19, 2013	$ 0.16
July 25, 2013	August 28, 2013	September 11, 2013	$ 0.20
October 22, 2013	November 25, 2013	December 9, 2013	$ 0.20
February 20, 2014	March 6, 2014	March 20, 2014	$ 0.20
May 1, 2014	June 5, 2014	June 19, 2014	$ 0.25
July 24, 2014	August 28, 2014	September 11, 2014	$ 0.25
October 30, 2014	November 25, 2014	December 9, 2014	$ 0.25

The dividend policy and payment of future cash dividends are subject to the discretion of the Board.

No dividends were declared or paid on the Company's common stock in 2012.

On July 25, 2013, Nielsen's Board approved a share repurchase program for up to $500 million of its outstanding common stock. The primary purpose of the program is to mitigate dilution associated with Nielsen's equity compensation plans. On October 23, 2014, the Company announced that its board of directors approved a new share repurchase program for up to $1 billion of Nielsen's outstanding common stock. This is in addition to the current authorization in place since July 2013 as described above. Repurchases will be made in accordance with applicable securities laws from time to time in the open market or otherwise depending on Nielsen management's evaluation of market conditions and other factors. This program will be executed within the limitations of the existing authority granted at Nielsen's 2014 Annual General Meeting of Shareholders. As of December 31, 2014, there have been 11,182,983 shares of our common stock purchased at an average price of $42.67 per share (total consideration of $477 million) under this program. The activity for the year ended December 31, 2014 consisted of open market share repurchases and is summarized in the following table:

Total Number of Shares	Average	Total Number of Shares Purchased as Part of Publicly	Dollar Value of Shares that may yet be