Nielsen Holdings plc
Form 10-Q
July 26, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2016

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 Holdings plc

(Exact name of registrant as specified in its charter)

England and Wales	98-1225347
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
85 Broad Street	A C Nielsen House

New York, New York 10004	London Road
(646) 654-5000	Oxford
	Oxfordshire, OX3 9RX
	United Kingdom
	+1 (646) 654-5000

(Address of principal executive offices) (Zip Code)
(Registrant's telephone numbers including area code)

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 x 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 x No ¨

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 definition of "accelerated filer", "large accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	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 x

There were 357,345,758 shares of the registrant's Common Stock outstanding as of June 30, 2016.

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PART I. FINANCIAL INFORMATION

Item 1.Condensed Consolidated Financial Statements

Nielsen Holdings plc

Condensed Consolidated Statements of Operations (Unaudited)

(IN MILLIONS, EXCEPT SHARE AND PER SHARE DATA)	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Revenues	$1,596	$1,559	$3,083	$3,017
Cost of revenues, exclusive of depreciation and amortization shown separately below	654	648	1,295	1,270
Selling, general and administrative expenses, exclusive of depreciation and amortization shown separately below	474	465	939	946
Depreciation and amortization	152	146	299	288
Restructuring charges	34	14	44	28
Operating income	282	286	506	485
Interest income	1	1	2	2
Interest expense	(83)	(79)	(162)	(152)
Foreign currency exchange transaction losses, net	(4)	(6)	(5)	(32)
Income from continuing operations before income taxes	196	202	341	303
Provision for income taxes	(82)	(86)	(126)	(124)
Net income	114	116	215	179
Net income attributable to noncontrolling interests	1	2	2	2
Net income attributable to Nielsen stockholders	$113	$114	$213	$177
Net income per share of common stock, basic				
Income from continuing operations	$0.31	$0.31	$0.59	$0.48
Net income attributable to Nielsen stockholders	$0.31	$0.31	$0.59	$0.48
Net income per share of common stock, diluted				
Income from continuing operations	$0.31	$0.31	$0.58	$0.47
Net income attributable to Nielsen stockholders	$0.31	$0.31	$0.58	$0.47
Weighted-average shares of common stock outstanding, basic	359,264,465	368,364,597	360,422,568	369,759,375
Dilutive shares of common stock	3,952,412	4,216,436	3,786,441	4,204,371
Weighted-average shares of common stock outstanding, diluted	363,216,877	372,581,033	364,209,009	373,963,746
Dividends declared per common share	$0.31	$0.28	$0.59	$0.53

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

Nielsen Holdings plc

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(IN MILLIONS)	2016	2015	2016	2015
Net income	$ 114	$ 116	$ 215	$ 179
Other comprehensive (loss)/income, net of tax				
Foreign currency translation adjustments	(41)	35	50	(137)
Available for sale securities (1)	—	1	—	4
Changes in the fair value of cash flow hedges (2)	(3)	1	(10)	(2)
Defined benefit pension plan adjustments (3)	—	4	7	10
Total other comprehensive (loss)/income	(44)	41	47	(125)
Total comprehensive income	70	157	262	54
Less: comprehensive (loss)/income attributable to noncontrolling interests	(1)	1	1	(2)
Total comprehensive income attributable to Nielsen stockholders	$ 71	$ 156	$ 261	$ 56

(1) Net of tax of zero and $(1) million for the three months ended June 30, 2016 and 2015, respectively, and zero and $(3) million for the six months ended June 30, 2016 and 2015, respectively

(2) Net of tax of $1 million and $(1) million for the three months ended June 30, 2016 and 2015, respectively, and $2 million and $1 million for the six months ended June 30, 2016 and 2015, respectively

(3) Net of tax of $1 million and $(1) million for the three months ended June 30, 2016 and 2015, respectively, and $2 million and $(2) million for the six months ended June 30, 2016 and 2015, respectively

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

Nielsen Holdings plc

Condensed Consolidated Balance Sheets

(IN MILLIONS, EXCEPT SHARE AND PER SHARE DATA)	June 30, 2016 (Unaudited)	December 31, 2015
Assets:		
Current assets		
Cash and cash equivalents	$ 346	$ 357
Trade and other receivables, net of allowances for doubtful accounts and sales returns of $25 and $28 as of June 30, 2016 and December 31, 2015, respectively	1,313	1,235
Prepaid expenses and other current assets	376	316
Total current assets	2,035	1,908
Non-current assets		
Property, plant and equipment, net	478	490
Goodwill	7,971	7,783
Other intangible assets, net	4,863	4,772
Deferred tax assets	97	78
Other non-current assets	274	272
Total assets	$ 15,718	$ 15,303
Liabilities and equity:		
Current liabilities		
Accounts payable and other current liabilities	$ 868	$ 1,013
Deferred revenues	324	322
Income tax liabilities	148	42
Current portion of long-term debt, capital lease obligations and short-term borrowings	1,075	310
Total current liabilities	2,415	1,687
Non-current liabilities		
Long-term debt and capital lease obligations	6,933	7,028
Deferred tax liabilities	1,038	1,074
Other non-current liabilities	864	887
Total liabilities	11,250	10,676
Commitments and contingencies (Note 11)		
Equity:		
Nielsen stockholders' equity		
Common stock, €0.07 par value, 1,185,800,000 and 1,185,800,000 shares authorized; 357,916,770 and 362,338,369 shares issued and 357,345,758 and 362,338,369 shares outstanding at June 30, 2016 and December 31, 2015, respectively	32	32
Additional paid-in capital	4,865	5,119
Retained earnings	389	341
Accumulated other comprehensive loss, net of income taxes	(1,011)	(1,059)
Total Nielsen stockholders' equity	4,275	4,433
Noncontrolling interests	193	194
Total equity	4,468	4,627
Total liabilities and equity	$ 15,718	$ 15,303

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

Nielsen Holdings plc

Condensed Consolidated Statements of Cash Flows (Unaudited)

(IN MILLIONS)	Six Months Ended June 30, 2016	2015
Operating Activities		
Net income	$215	$179
Adjustments to reconcile net income to net cash provided by operating activities:		
Stock-based compensation expense	26	27
Currency exchange rate differences on financial transactions and other losses	6	34
Equity in net income of affiliates, net of dividends received	2	1
Depreciation and amortization	299	288
Changes in operating assets and liabilities, net of effect of businesses acquired and divested:		
Trade and other receivables, net	(63)	4
Prepaid expenses and other current assets	(44)	(59)
Accounts payable and other current liabilities and deferred revenues	(200)	(187)
Other non-current liabilities	(7)	(4)
Interest payable	5	12
Income taxes	58	59
Net cash provided by operating activities	297	354
Investing Activities		
Acquisition of subsidiaries and affiliates, net of cash acquired	(252)	(197)
Additions to property, plant and equipment and other assets	(55)	(69)
Additions to intangible assets	(166)	(130)
Other investing activities	1	3
Net cash used in investing activities	(472)	(393)
Financing Activities		
Net borrowings/(payments) under revolving credit facility	221	(72)
Proceeds from issuances of debt, net of issuance costs	496	746
Repayment of debt	(56)	(49)
Cash dividends paid to stockholders	(212)	(192)
Repurchase of common stock	(304)	(320)
Proceeds from exercise of stock options	29	26
Other financing activities	(23)	(12)
Net cash provided by financing activities	151	127
Effect of exchange-rate changes on cash and cash equivalents	13	(30)
Net (decrease)/increase in cash and cash equivalents	(11)	58
Cash and cash equivalents at beginning of period	357	273
Cash and cash equivalents at end of period	$346	$331
Supplemental Cash Flow Information		
Cash paid for income taxes	$(68)	$(65)
Cash paid for interest, net of amounts capitalized	$(157)	(140)

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

Nielsen Holdings plc

Notes to Condensed Consolidated Financial Statements

1. Background and Basis of Presentation

Background

Nielsen Holdings plc ("Nielsen" or the "Company"), 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 reporting segments: what consumers buy ("Buy") and what consumers watch and listen to ("Watch"). Nielsen has a presence in more than 100 countries, with its registered office located in Oxford, the United Kingdom and headquarters located in New York, USA.

Basis of Presentation

The accompanying condensed consolidated financial statements are unaudited but, in the opinion of management, contain all the adjustments (consisting of those of a normal recurring nature) considered necessary to present fairly the Company's financial position and the results of operations and cash flows for the periods presented in conformity with accounting principles generally accepted in the U.S. ("U.S. GAAP") applicable to interim periods. For a more complete discussion of significant accounting policies, commitments and contingencies and certain other information, refer to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2015. All amounts are presented in U.S. Dollars ("$"), except for share data or where expressly stated as being in other currencies, e.g., Euros ("€"). The condensed consolidated financial statements include the accounts of Nielsen and all subsidiaries and other controlled entities. The Company has evaluated events occurring subsequent to June 30, 2016 for potential recognition or disclosure in the condensed consolidated financial statements and concluded there were no subsequent events that required recognition or disclosure other than those provided.

Earnings per Share

Basic net income per share is computed using the weighted-average number of shares 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 consist of employee stock options and restricted stock.

The effect of 1,448,913 and 2,349,596 shares of common stock equivalents under stock compensation plans were excluded from the calculation of diluted earnings per share for the three months ended June 30, 2016 and 2015, respectively, as such shares would have been anti-dilutive.

The effect of 1,529,208 and 2,383,850 shares of common stock equivalents under stock compensation plans were excluded from the calculation of diluted earnings per share for the six months ended June 30, 2016 and 2015, respectively, as such shares would have been anti-dilutive.

Devaluation of Venezuelan Currency

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.

The Company currently expects to be able to access U.S. dollars through the DICOM market. DICOM has significantly higher foreign exchange rates than those available through the other foreign exchange mechanisms. At June 30, 2016, the DICOM exchange rate was 626.0 bolivars to the U.S. dollar.

The Company will continue to assess the appropriate conversion rate based on events in Venezuela and our specific facts and circumstances and whether to continue consolidation. Total net monetary assets in U.S. dollars at the June 30, 2016 DICOM rate were $2 million.

2. Summary of Recent Accounting Pronouncements

Classification and Measurement of Financial Instruments

In January 2016, the FASB issued an Accounting Standards Update ("ASU"), "Recognition and Measurement of Financial Assets and Financial Liabilities". The new standard was issued to amend the guidance on the classification and measurement of financial instruments. The new standard significantly revises an entity's accounting related to the classification and measurement of investments in equity securities and the presentation of certain fair value changes for financial liabilities measured at fair value. The new standard also amends certain disclosure requirements associated with the fair value of financial instruments. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2017. Early adoption for most of the provisions is not allowed. Nielsen is currently assessing the impact of the adoption of this ASU will have on the Company's condensed consolidated financial statements.

Leases

In February 2016, the FASB issued an ASU, "Leases". The new standard amends the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases and amends disclosure requirements associated with leasing arrangements. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. Nielsen is currently assessing the impact of the adoption of this ASU will have on the Company's condensed consolidated financial statements.

Investments- Equity Method and Joint Ventures

In March 2016, the FASB issued an ASU, "Investments- Equity Method and Joint Ventures: Simplifying the Transition to the Equity Method of Accounting". This new standard eliminates the requirement to apply the equity method of accounting retrospectively when a reporting entity obtains significant influence over a previously held investment. This guidance is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2016. Under the provisions of this ASU, when circumstances dictate that an investment accounted for under the cost method should no longer be a cost method investee but be accounted for under the equity method, there will no longer be a required retrospective restatement. Nielsen is currently assessing the impact of the adoption of this ASU will have on the Company's condensed consolidated financial statements.

Financial Instruments – Credit Losses

In June 2016, the FASB issued an ASU, "Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments". The standard significantly changes how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The standard will replace today's "incurred loss" approach with an "expected loss" model for instruments measured at amortized cost. For available-for-sale debt securities, entities will be required to record allowances rather than reduce the carrying amount, as they do today under the other-than-temporary impairment model. It also simplifies the accounting model for purchased credit-impaired debt securities and loans. The new standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2019. Early adoption is permitted for fiscal years and interim periods within those fiscal years beginning after December 15, 2018. Nielsen is currently assessing the impact of the adoption of this ASU will have on the Company's condensed consolidated financial statements.

3. Business Acquisitions

For the six months ended June 30, 2016, Nielsen paid cash consideration of $252 million associated with both current period and previously executed acquisitions, net of cash acquired. Had these current period acquisitions occurred as of January 1, 2016, the impact on Nielsen's consolidated results of operations would not have been material.

For the six months ended June 30, 2015, Nielsen paid cash consideration of $197 million associated with both current period and previously executed acquisitions, net of cash acquired. Had these current period acquisitions occurred as of January 1, 2015, the impact on Nielsen's consolidated results of operations would not have been material.

4. Goodwill and Other Intangible Assets

Goodwill

The table below summarizes the changes in the carrying amount of goodwill by reportable segment for the six months ended June 30, 2016.

(IN MILLIONS)	Buy	Watch	Total
Balance, December 31, 2015	$2,789	$4,994	$7,783
Acquisitions, divestitures and other adjustments	2	159	161
Effect of foreign currency translation	27	—	27
Balance, June 30, 2016	$2,818	$5,153	$7,971

At June 30, 2016, $56 million of the goodwill is expected to be deductible for income tax purposes.

During 2016 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 2016 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.

Other Intangible Assets

	Gross Amounts		Accumulated Amortization	
(IN MILLIONS)	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Indefinite-lived intangibles:				
Trade names and trademarks	$1,921	$ 1,921	—	—
Amortized intangibles:				
Trade names and trademarks	168	167	(92)	(84)
Customer-related intangibles	3,114	3,013	(1,271)	(1,193)
Covenants-not-to-compete	39	37	(36)	(35)
Computer software	2,109	1,919	(1,168)	(1,055)
Patents and other	173	168	(94)	(86)
Total	$5,603	$ 5,304	$(2,661)	$ (2,453)

Amortization expense associated with the above intangible assets was $109 million and $103 million for the three months ended June 30, 2016 and 2015, respectively. These amounts included amortization expense associated with computer software of $60 million and $55 million for the three months ended June 30, 2016 and 2015, respectively.

Amortization expense associated with the above intangible assets was $210 million and $203 million for the six months ended June 30, 2016 and 2015, respectively. These amounts included amortization expense associated with computer software of $113 million and $109 million for the six months ended June 30, 2016 and 2015, respectively.

5. 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 six months ended June 30, 2016 and 2015.

(IN MILLIONS)	Foreign Currency Translation Adjustments	Cash Flow Hedges	Post Employment Benefits	Total
Balance December 31, 2015	$ (767)	$ (3)	$ (289)	$ (1,059)
Other comprehensive income/(loss) before reclassifications	50	(12)	1	39
Amounts reclassified from accumulated other comprehensive loss	—	2	6	8
Net current period other comprehensive income/(loss)	50	(10)	7	47
Net current period other comprehensive loss attributable to noncontrolling interest	(1)	—	—	(1)
Net current period other comprehensive income/(loss) attributable to Nielsen stockholders	51	(10)	7	48
Balance June 30, 2016	$ (716)	$ (13)	$ (282)	$ (1,011)

(IN MILLIONS)	Foreign Currency Translation Adjustments	Available-for-Sale Securities	Cash Flow Hedges	Post Employment Benefits	Total
Balance December 31, 2014	$ (418)	$ 19	$ (2)	$ (376)	$ (777)
Other comprehensive (loss)/income before reclassifications	(137)	4	(6)	—	(139)
Amounts reclassified from accumulated other comprehensive loss	—	—	4	10	14
Net current period other comprehensive (loss)/income	(137)	4	(2)	10	(125)
Net current period other comprehensive loss attributable to noncontrolling interest	(4)	—	—	—	(4)
Net current period other comprehensive (loss)/income attributable to Nielsen stockholders	(133)	4	(2)	10	(121)
Balance June 30, 2015	$ (551)	$ 23	$ (4)	$ (366)	$ (898)

The table below summarizes the reclassification of accumulated other comprehensive loss by component for the three months ended June 30, 2016 and 2015, respectively.

(IN MILLIONS) Details about Accumulated Other Comprehensive Income components	Amount Reclassified from Accumulated Other Comprehensive Loss		Affected Line Item in the Condensed Consolidated Statement of Operations
	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	
Cash flow hedges			
Interest rate contracts	$ 2	$ 3	Interest expense
	1	1	Benefit for income taxes
	$ 1	$ 2	Total, net of tax
Amortization of Post-Employment Benefits			
Actuarial loss	$ 4	$ 6	(a)
	1	1	Benefit for income taxes
	$ 3	$ 5	Total, net of tax
Total reclassification for the period	$ 4	$ 7	Net of tax

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

The table below summarizes the reclassification of accumulated other comprehensive loss by component for the six months ended June 30, 2016 and 2015, respectively.

(IN MILLIONS) Details about Accumulated Other Comprehensive Income components	Amount Reclassified from Accumulated Other Comprehensive Loss		Affected Line Item in the Condensed Consolidated Statement of Operations
	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015	
Cash flow hedges			
Interest rate contracts	$ 3	$ 6	Interest expense
	1	2	Benefit for income taxes
	$ 2	$ 4	Total, net of tax
Amortization of Post-Employment Benefits			
Actuarial loss	$ 9	$ 12	(a)
	3	2	Benefit for income taxes
	$ 6	$ 10	Total, net of tax

Total reclassification for the period	$ 8	$ 14	Net of tax

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

6. Restructuring Activities

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

(IN MILLIONS)	Total Initiatives
Balance at December 31, 2015	$ 38
Charges	44
Payments	(32)
Balance at June 30, 2016	$ 50

Nielsen recorded $34 million and $14 million in restructuring charges for the three months ended June 30, 2016 and 2015, respectively, primarily relating to severance costs.

Nielsen recorded $44 million and $28 million in restructuring charges for the six months ended June 30, 2016 and 2015, respectively, primarily relating to severance costs.

Of the $50 million in remaining liabilities for restructuring actions, $41 million is expected to be paid within one year and is classified as a current liability within the condensed consolidated balance sheet as of June 30, 2016.

7. Fair Value Measurements

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 June 30, 2016 and December 31, 2015:

(IN MILLIONS)	June 30, 2016	Level 1	Level 2	Level 3
Assets:				
Plan assets for deferred compensation (1)	30	30	—	—
Investment in mutual funds (2)	2	2	—	—
Total	$ 32	$ 32	$ —	—
Liabilities:				
Interest rate swap arrangements (3)	$ 18	—	$ 18	—
Deferred compensation liabilities (4)	30	30	—	—

Total	$ 48	$ 30	$ 18	—

	December 31, 2015	Level 1	Level 2	Level 3
Assets:				
Plan assets for deferred compensation (1)	30	30	—	—
Investment in mutual funds (2)	2	2	—	—
Total	$ 32	$ 32	—	—
Liabilities:				
Interest rate swap arrangements (3)	$ 6	—	$ 6	—
Deferred compensation liabilities (4)	30	30	—	—
Total	$ 36	$ 30	$ 6	—

(1) 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.
(2) Investments in mutual funds are money-market accounts held with the intention of funding certain specific retirement plans.
(3) 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.
(4) 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 primarily uses interest rate swap derivative instruments to manage 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 8 - 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 June 30, 2016, Nielsen had no material exposure to potential economic losses due to counterparty credit default risk or cross-default risk on its derivative financial instruments.

Foreign Currency Exchange Risk

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. Nielsen manages translation risk exposure by creating "natural hedges" in its financing or by using derivative financial instruments aimed at offsetting certain exposures in the statement of earnings or the balance sheet. Nielsen does not trade derivative financial instruments for speculative purposes. During the six months ended June 30, 2016 and 2015, Nielsen recorded a net gain of $1 million and $3 million, respectively, associated with foreign currency derivative financial instruments within foreign currency exchange transactions losses, net in our condensed consolidated statements of operations. As of June 30, 2016 and December 31, 2015 the notional amount of the outstanding foreign currency derivative financial instruments were $312 million and $37 million, respectively.

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 June 2016, the company entered into $250 million in aggregate notional amount of a three-year forward looking interest rate swap agreements with starting dates of June 9, 2016. 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 0.86%.

As of June 30, 2016, 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	$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
US Dollar term loan floating-to-fixed rate swaps	$150,000,000	April 2019	US Dollar
US Dollar term loan floating-to-fixed rate swaps	$250,000,000	June 2019	US Dollar
US Dollar term loan floating-to-fixed rate swaps	$150,000,000	July 2019	US Dollar

Nielsen expects to recognize approximately $9 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.

Fair Values of Derivative Instruments in the Consolidated Balance Sheets

The fair values of the Company's derivative instruments as of June 30, 2016 and December 31, 2015 were as follows:

Derivatives Designated as Hedging Instruments (IN MILLIONS)	June 30, 2016 Accounts Payable and Other Current Liabilities	June 30, 2016 Other Non-Current Liabilities	December 31, 2015 Accounts Payable and Other Current Liabilities	December 31, 2015 Other Non-Current Liabilities
Interest rate swaps	$ —	$ 18	$ 1	$ 5

Derivatives in Cash Flow Hedging Relationships

The pre-tax effect of derivative instruments in cash flow hedging relationships for the three months ended June 30, 2016 and 2015 was as follows:

Derivatives in Cash Flow Hedging Relationships (IN MILLIONS)	Amount of Loss Recognized in OCI (Effective Portion) Three Months Ended June 30,		Location of Loss Reclassified from AOCI into Income (Effective Portion)	Amount of Loss Reclassified from AOCI into Income (Effective Portion) Three Months Ended June 30,	
	2016	2015		2016	2015
Interest rate swaps	$ 5	$ 2	Interest expense	$ 2	$ 3

The pre-tax effect of derivative instruments in cash flow hedging relationships for the six months ended June 30, 2016 and 2015 was as follows:

Derivatives in Cash Flow Hedging Relationships (IN MILLIONS)	Amount of Loss Recognized in OCI (Effective Portion) Six Months Ended June 30,		Location of Loss Reclassified from AOCI into Income (Effective Portion)	Amount of Loss Reclassified from AOCI into Income (Effective Portion) Six Months Ended June 30,	
	2016	2015		2016	2015
Interest rate swaps	$ 15	$ 10	Interest expense	$ 3	$ 6

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

The Company is required, on a nonrecurring basis, to adjust the carrying value or provide valuation allowances 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 six months ended June 30, 2016.

8. Long-term Debt and Other Financing Arrangements

Unless otherwise stated, interest rates are as of June 30, 2016.

	June 30, 2016			December 31, 2015		
(IN MILLIONS)	Weighted Interest Rate	Carrying Amount	Fair Value	Weighted Interest Rate	Carrying Amount	Fair Value
$1,580 million Senior secured term loan (LIBOR based variable rate of 2.18%) due 2019		—	—		1,455	1,454
$2,080 million Senior secured term loan (LIBOR based variable rate of 2.45%) due 2019		1,906	1,907		—	—
$500 million Senior secured term loan (LIBOR based variable rate of 2.70%) due 2017		490	489		492	492
$1,100 million Senior secured term loan (LIBOR based variable rate of 3.45%) due 2021		1,074	1,080		1,080	1,082
€286 million Senior secured term loan (Euro LIBOR based variable rate of 2.65%) due 2021		310	311		305	306
$575 million senior secured revolving credit facility (Euro LIBOR or LIBOR based variable rate) due 2019		385	382		164	163
Total senior secured credit facilities (with weighted-average interest rate)	2.86%	4,165	4,169	2.78%	3,496	3,497
$800 million 4.50% senior debenture loan due 2020		793	816		792	808
$625 million 5.50% senior debenture loan due 2021		618	645		617	640
$2,300 million 5.00% senior debenture loan due 2022		2,284	2,340		2,284	2,270
Total debenture loans (with weighted-average interest rate)	5.22%	3,695	3,801	5.22%	3,693	3,718
Other loans		7	7		7	7
Total long-term debt	3.97%	7,867	7,977	4.04%	7,196	7,222
Capital lease and other financing obligations		141			142	
Total debt and other financing arrangements		8,008			7,338	
Less: Current portion of long-term debt, capital lease and other financing obligations and other short-term borrowings		1,075			310	
Non-current portion of long-term debt and capital lease and other financing obligations		$ 6,933			$ 7,028	

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.

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

(IN MILLIONS)	
For July 1, 2016 to December 31, 2016	$474
2017	677
2018	270
2019	1,389
2020	806
2021	1,944
Thereafter	2,307
	$7,867

On March 30, 2016, the Company entered into an amendment to its Fourth Amended and Restated Credit Agreement (the "Amended Credit Agreement"), dated as of April 22, 2014, which provides for additional Class A Term Loans in an aggregate principal amount of $500 million, maturing in full in April 2019 (the "Additional Class A Term Loans"). The Additional Class A Term Loans are required to be repaid in quarterly installments ranging from 1.369% to 4.11% of the original principal amount (as may be reduced as a result of voluntary prepayments), with the balance payable on the maturity date. The Additional Class A Term Loans bear interest equal to, at the election of Nielsen, 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 Amended Credit Agreement). This amendment was accounted for as a modification of the Amended Credit Agreement.

9. Stockholders' Equity

Common stock activity is as follows:

	Six Months Ended June 30, 2016
Actual number of shares of common stock outstanding	
Beginning of period	362,338,369
Shares of common stock issued through compensation plans	920,184
Repurchases of common stock	(5,912,795)
End of period	357,345,758

On January 31, 2013, the Company's Board of Directors adopted a cash dividend policy to pay quarterly cash dividends on its outstanding common stock. The below table summarizes the dividends declared on Nielsen's common stock during 2015 and the six months ended June 30, 2016.

Declaration Date	Record Date	Payment Date	Dividend Per Share
February 19, 2015	March 5, 2015	March 19, 2015	$ 0.25
April 20, 2015	June 4, 2015	June 18, 2015	$ 0.28
July 23, 2015	August 27, 2015	September 10, 2015	$ 0.28
October 29, 2015	November 24, 2015	December 8, 2015	$ 0.28
February 18, 2016	March 3, 2016	March 17, 2016	$ 0.28
April 19, 2016	June 2, 2016	June 16, 2016	$ 0.31

On July 21, 2016, the Company's Board of Directors declared a cash dividend of $0.31 per share on our common stock. The dividend is payable on September 8, 2016 to stockholders of record at the close of business on August 25, 2016.

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

The Company's Board of Directors has approved a share repurchase program, as included in the below table, for up to $2 billion in the aggregate of our outstanding common stock. The primary purpose of the program is to return value to shareholders and to mitigate dilution associated with our equity compensation plans.

Board Approval	Share Repurchase Authorization ($ in millions)
July 25, 2013	$ 500
October 23, 2014	$ 1,000
December 11, 2015	$ 500
Total Share Repurchase Authorization	$ 2,000

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 has been executed within the limitations of the existing authority granted at Nielsen's Annual General Meeting of Shareholders held in 2015 and 2016.

As of June 30, 2016, there have been 31,675,206 shares of our common stock purchased at an average price of $45.74 per share (total consideration of approximately $1,449 million) under this program.

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
As of December 31, 2015	25,762,411	$ 44.43	25,762,411	$ 855,495,985
2016 Activity				
January 1- 31	628,054	$ 45.62	628,054	$ 826,841,315
February 1- 28	687,473	$ 47.41	687,473	$ 794,246,197
March 1- 31	429,617	$ 51.48	429,617	$ 772,128,086
April 1-30	1,368,352	$ 52.91	1,368,352	$ 699,730,694
May 1-31	1,320,614	$ 52.23	1,320,614	$ 630,761,673
June 1-30	1,478,685	$ 53.84	1,478,685	$ 551,145,264
Total	31,675,206	$ 45.74	31,675,206	

10. Income Taxes

The effective tax rates for the three months ended June 30, 2016 and 2015 were 42% and 43%, respectively. The tax rate for the three months ended June 30, 2016 was higher than the U.K. statutory rate as a result of the impact of tax rate differences in other jurisdictions where the Company files tax returns, and the effect of global licensing activities and foreign distributions, offset by the favorable impact of certain financing activities. The tax rate for the three months ended June 30, 2015 was higher than the 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, offset by the favorable impact of certain financing activities.

The effective tax rates for the six months ended June 30, 2016 and 2015 were 37% and 41%, respectively. The tax rate for the six months ended June 30, 2016 was higher than the statutory rate as a result of the impact of tax rate differences in other jurisdictions where the Company files tax returns, and the effect of global licensing activities and foreign distributions, offset by the favorable impact of certain financing activities, the impact of share-based compensation excess tax benefit, and release of certain tax contingencies. The tax rate for the six months ended June 30, 2015 was higher than the 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, and audit settlements offset by the favorable impact of certain financing activities and release of certain tax contingencies.

The estimated liability for unrecognized income tax benefits as of December 31, 2016 is $466 million and was $461 million as of December 31, 2015. If the Company’s tax positions are favorably sustained by the taxing authorities, the reversal of the underlying liabilities would reduce the Company’s effective tax rate in future periods.

The Company files numerous consolidated and separate income tax returns in the U.S. and in many state and foreign jurisdictions. With few exceptions the Company is no longer subject to U.S. Federal income tax examination for 2006 and prior periods. In addition, the Company has subsidiaries in various states, provinces and countries that are currently under audit for years ranging from 2003 through 2015.

To date, the Company is not aware of any material adjustments not already accrued related to any of the current Federal, state or foreign audits under examination.

11. Commitments and Contingencies

Legal Proceedings and Contingencies

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.

12. Segments

The Company aligns its operating segments in order to conform to management's internal reporting structure, which is reflective of service offerings by industry. Management aggregates such operating segments into two reporting segments: what consumers buy ("Buy"), consisting principally of market research information and analytical services; and what consumers watch ("Watch"), consisting principally of television, radio, online and mobile audience and advertising measurement and corresponding analytics.

Corporate consists principally of unallocated items such as certain facilities and infrastructure costs as well as intersegment eliminations. 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 the Company's segments based on either the actual amount of costs incurred or on a basis consistent with the operations of the underlying segment. Information with respect to the operations of each of Nielsen's business segments is set forth below based on the nature of the services offered and geographic areas of operations.

Business Segment Information

(IN MILLIONS)	Buy	Watch	Corporate	Total
Three Months Ended June 30, 2016				
Revenues	$852	$744	$ —	$1,596
Depreciation and amortization	$54	$97	$ 1	$152
Restructuring charges	$21	$3	$ 10	$34
Stock-based compensation expense	$5	$2	$ 6	$13
Other items[1]	$1	$2	$ 6	$9
Operating income/(loss)	$85	$228	$ (31)	$282
Business segment income/(loss)[2]	$166	$332	$ (8)	$490
Total assets as of June 30, 2016	$6,661	$8,976	$ 81	$15,718

(IN MILLIONS)				
Three Months Ended June 30, 2015				
Revenues	$852	$707	$—	$1,559
Depreciation and amortization	$53	$92	$1	$146
Restructuring charges	$10	$4	$—	$14
Stock-based compensation expense	$4	$2	$7	$13
Other items[1]	$—	$—	$9	$9
Operating income/(loss)	$95	$216	$(25)	$286
Business segment income/(loss)[2]	$162	$314	$(8)	$468
Total assets as of December 31, 2015	$6,537	$8,650	$116	$15,303

(IN MILLIONS)	Buy	Watch	Corporate	Total
Six Months Ended June 30, 2016				
Revenues	$1,645	$1,438	$ —	$3,083
Depreciation and amortization	$105	$192	$ 2	$299

Restructuring charges	$27	$5	$ 12	$44
Stock-based compensation expense	$9	$5	$ 12	$26
Other items (1)	$2	$2	$ 13	$17
Operating income/(loss)	$137	$425	$ (56)	$506
Business segment income/(loss) (2)	$280	$629	$ (17)	$892

(IN MILLIONS)				
Six Months Ended June 30, 2015				
Revenues	$1,650	$1,367	$—	$3,017
Depreciation and amortization	$106	$180	$2	$288
Restructuring charges	$17	$8	$3	$28
Stock-based compensation expense	$9	$4	$14	$27
Other items (1)	$—	$—	$20	$20
Operating income/(loss)	$140	$400	$(55)	$485
Business segment income/(loss) (2)	$272	$592	$(16)	$848

(1) Other items primarily consist of transaction related costs for the three and six months ended June 30, 2016 and 2015.
(2) The Company's chief operating decision maker uses business segment income/(loss) to measure performance from period to period both at the consolidated level as well as within its operating segments.

13. Guarantor Financial Information

The following supplemental financial information is being provided for purposes of compliance with reporting covenants contained in certain debt obligations of Nielsen and its subsidiaries. The financial information sets forth for Nielsen, its subsidiaries that have issued certain debt securities (the "Issuers") and its guarantor and non-guarantor subsidiaries, the consolidating balance sheet as of June 30, 2016 and December 31, 2015 and consolidating statements of operations and cash flows for the periods ended June 30, 2016 and 2015. During the three months ended September 30, 2015, the Company re-designated certain subsidiaries between guarantor and non-guarantor. As a result, the Company adjusted prior periods to reflect the current year structure.

The issued debt securities are jointly and severally guaranteed on a full and unconditional basis by Nielsen and subject to certain exceptions, each of the direct and indirect 100% owned subsidiaries of Nielsen, in each case to the extent that such entities provide a guarantee under the senior secured credit facilities. The issuers are also 100% owned indirect subsidiaries of Nielsen: Nielsen Finance LLC and Nielsen Finance Co. for certain series of debt obligations, and The Nielsen Company (Luxembourg) S,a.r.l., for the other series of debt obligations. Each issuer is a guarantor of the debt obligations not issued by it.

Nielsen is a holding company and does not have any material assets or operations other than ownership of the capital stock of its direct and indirect subsidiaries. All of Nielsen's operations are conducted through its subsidiaries, and, therefore, Nielsen is expected to continue to be dependent upon the cash flows of its subsidiaries to meet its obligations. The senior secured credit facilities contain certain limitations on the ability of Nielsen to receive the cash flows of its subsidiaries.

While all subsidiary guarantees of the issued debt securities are full and unconditional, these guarantees contain customary release provisions including when (i) the subsidiary is sold or sells all of its assets, (ii) the subsidiary is declared "unrestricted" for covenant purposes, (iii) the subsidiary's guarantee under the senior secured credit facilities is released and (iv) the requirements for discharge of the indenture have been satisfied.

Nielsen Holdings plc

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended June 30, 2016

(IN MILLIONS)	Parent	Issuers	Guarantor	Non-Guarantor	Elimination	Consolidated
Revenues	$ —	$ —	$ 913	$ 683	$ —	$ 1,596
Cost of revenues, exclusive of depreciation and amortization shown separately below	—	—	332	322	—	654
Selling, general and administrative expenses, exclusive of depreciation and amortization shown separately below	2	—	248	224	—	474
Depreciation and amortization	—	—	122	30	—	152
Restructuring charges	—	—	13	21	—	34
Operating (loss)/income	(2)	—	198	86	—	282
Interest income	—	222	10	1	(232)	1
Interest expense	(1)	(77)	(227)	(10)	232	(83)
Foreign currency exchange transaction losses, net	—	—	—	(4)	—	(4)
Other income/(expense), net	—	—	14	(14)	—	—
(Loss)/income from continuing operations before income taxes and equity in net income/(loss) of subsidiaries and affiliates	(3)	145	(5)	59	—	196
Provision for income taxes	—	(51)	(2)	(29)	—	(82)
Equity in net income of subsidiaries	116	25	124	—	(265)	—
Equity in net (loss)/income of affiliates	—	—	(1)	1	—	—
Net income	113	119	116	31	(265)	114
Less net income attributable to noncontrolling interests	—	—	—	1	—	1
Net income attributable to controlling interest	113	119	116	30	(265)	113
Total other comprehensive loss	(42)	(48)	(42)	(49)	137	(44)
Total other comprehensive loss attributable to noncontrolling interests	—	—	—	(2)	—	(2)
Total other comprehensive loss attributable to controlling interests	(42)	(48)	(42)	(47)	137	(42)
Total comprehensive income/(loss)	71	71	74	(18)	(128)	70
Comprehensive loss attributable to noncontrolling interests	—	—	—	(1)	—	(1)
Total comprehensive income/(loss) attributable to controlling interest	$ 71	$ 71	$ 74	$ (17)	$ (128)	$ 71

Nielsen Holdings plc

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the three months ended June 30, 2015

(IN MILLIONS)	Parent	Issuers	Guarantor	Non-Guarantor	Elimination	Consolidated
Revenues	$ —	$ —	$ 899	$ 660	$ —	$ 1,559
Cost of revenues, exclusive of depreciation and amortization shown separately below	—	—	320	328	—	648
Selling, general and administrative expenses, exclusive of depreciation and amortization shown separately below	2	—	249	214	—	465
Depreciation and amortization	—	—	120	26	—	146
Restructuring charges	—	—	8	6	—	14
Operating (loss)/income	(2)	—	202	86	—	286
Interest income	—	217	8	2	(226)	1
Interest expense	—	(75)	(221)	(9)	226	(79)
Foreign currency exchange transaction losses, net	—	—	—	(6)	—	(6)
Other income/(expense), net	—	—	46	(46)	—	—
(Loss)/income from continuing operations before income taxes and equity in net income of subsidiaries	(2)	142	35	27	—	202
Provision for income taxes	—	(50)	(25)	(11)	—	(86)
Equity in net income of subsidiaries	116	20	106	—	(242)	—
Net income	114	112	116	16	(242)	116
Less net income attributable to noncontrolling interests	—	—	—	2	—	2
Net income attributable to controlling interest	114	112	116	14	(242)	114
Total other comprehensive income/(loss)	42	(109)	42	95	(29)	41
Total other comprehensive loss attributable to noncontrolling interests	—	—	—	(1)	—	(1)
Total other comprehensive income/(loss) attributable to controlling interests	42	(109)	42	96	(29)	42
Total comprehensive income	156	3	158	111	(271)	157
Comprehensive income attributable to noncontrolling interests	—	—	—	1	—	1
Total comprehensive income attributable to controlling interest	$ 156	$ 3	$ 158	$ 110	$ (271)	$ 156

Nielsen Holdings plc

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended June 30, 2016

(IN MILLIONS)	Parent	Issuer	Guarantor	Non-Guarantor	Elimination	Consolidated
Revenues	$ —	$ —	$ 1,784	$ 1,299	$ —	$ 3,083
Cost of revenues, exclusive of depreciation and amortization shown separately below	—	—	663	632	—	1,295
Selling, general and administrative expenses, exclusive of depreciation and amortization shown separately below	2	—	507	430	—	939
Depreciation and amortization	—	—	241	58	—	299
Restructuring charges	—	—	18	26	—	44
Operating (loss)/income	(2)	—	355	153	—	506
Interest income	—	432	19	2	(451)	2
Interest expense	(2)	(151)	(441)	(19)	451	(162)
Foreign currency exchange transaction losses, net	—	—	(1)	(4)	—	(5)
Other (expense)/income, net	—	(1)	22	(21)	—	—
(Loss)/income from continuing operations before income taxes and equity in net income/(loss) of subsidiaries and affiliates	(4)	280	(46)	111	—	341
(Provision)/benefit for income taxes	—	(98)	26	(54)	—	(126)
Equity in net income of subsidiaries	217	15	238	—	(470)	—
Equity in net (loss)/income of affiliates	—	—	(1)	1	—	—
Net income	213	197	217	58	(470)	215
Less net income attributable to noncontrolling interests	—	—	—	2	—	2
Net income attributable to controlling interest	213	197	217	56	(470)	213
Total other comprehensive income	48	66	48	43	(158)	47
Total other comprehensive loss attributable to noncontrolling interests	—	—	—	(1)	—	(1)
Total other comprehensive income attributable to controlling interests	48	66	48	44	(158)	48
Total comprehensive income	261	263	265	101	(628)	262
Comprehensive income attributable to noncontrolling interests	—	—	—	1	—	1
Total comprehensive income attributable to controlling interests	$ 261	$ 263	$ 265	$ 100	$ (628)	$ 261

Nielsen Holdings plc

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the six months ended June 30, 2015

(IN MILLIONS)	Parent	Issuer	Guarantor	Non-Guarantor	Elimination	Consolidated
Revenues	$ —	$ —	$ 1,745	$ 1,272	$ —	$ 3,017
Cost of revenues, exclusive of depreciation and amortization shown separately below	—	—	632	638	—	1,270
Selling, general and administrative expenses, exclusive of depreciation and amortization shown separately below	3	—				