BEVERAGE ALCOHOL MEDIA REPORT

Q4 2015

nielsen

AN UNCOMMON SENSE OF THE CONSUMER™

WELCOME

SUSAN LAUINGER

SVP, MARKETING EFFECTIVENESS

NIELSEN

It's no secret that Millennials are changing the way we watch, listen and interact, but did you know that they're also changing the way we drink? The only thing more varied than their beverage choices is how they're consuming media. Today's consumers have access to more information in more ways than ever before. This poses a challenge to Beverage Alcohol (Bev Al) companies who need to reach the right consumers with the right message through the right media. We are excited to present a compilation of Nielsen measurements of Legal Drinking Age (LDA) consumers and perspectives on the media landscape.

In this report, we'll look at:

- Millennials – The best ways to reach this diverse and fickle group of consumers and influence purchase decisions before they get to the store. For this report, we'll define Legal Drinking Age (LDA) Millennials as those ages 21-34 as of Q4-2015. There are varying definitions in the market place, however due to the focus of this report on the Bev Al space, the upper end age cut off has been made at 34.
- LDA Audience Media Consumption – A perspective on how LDA consumers are consuming media content with a particular focus on generation and ethnicity. We break down where consumers are spending most of their time so you get the best insights to drive your spend.
- The "Best of the Best" – The top Bev Al television ads from Q3 and Q4 2015 for each Adult Beverage category, as ranked by how well the ads broke through in-market and connected to the brand.

We hope you enjoy these insights gathered from across Nielsen's broad range of measurement. We will continue to provide the most comprehensive view of your consumers through our unique ability to measure the Total Audience to keep you at the forefront of your ever-changing marketplace.

SUSAN

THEY'RE THIRSTY FOR DEALS, BUT MILLENNIALS WON'T SACRIFICE TASTE OR QUALITY IN THEIR ALCOHOLIC BEVERAGES

There's no shortage of discussions today about Millennials, particularly when the conversation topic pertains to their use of technology and desire to be constantly connected. But there's more—much more—to this young consumer group. In fact, now that most of this generation is of legal drinking age (LDA), retailers, restaurants and suppliers have a new and powerful customer that they must get to know. A group that accounts for just over one third of legal age drinkers.

Not only are Millennials one of the largest generational cohorts in the history of the U.S., but according to American Demographics they will account for almost 30% of total consumer product dollars spent by 2020. So what does that mean for the alcoholic beverage market? In a word, opportunity.

Millennials are a key demographic for the alcoholic beverage market, both because of how big the group is as well as how much they will likely purchase for years and years into the future. And as a result, the battle is definitely 'on' within the alcoholic beverage industry to win over this group's hearts, minds and wallets. However tastes within the group vary when it comes to alcoholic preference. For example, consumers 21-34 represent about one-fourth of adults 21 and over, but they account for 35% of U.S. beer consumption and 32% of spirit consumption. Comparatively, they represent only 20% of wine consumption.

As with other generational groups, the large age range within the Millennial cohort results in varied consumption habits and lifestyle preferences. Additionally, over 40% of Millennials are multicultural (Hispanic, African-American and Asian-American), with unique taste profiles and consumption preferences that are shaped by cultural influences. This multicultural identity leads Millennials to be more open to trying and embracing new taste experiences. This presents further opportunity for brands to study and engage with these important segments in culturally tailored ways.

So how do marketers reach of-age Millennials in the age of TV everywhere and device proliferation?

Nielsen's analysis of cross-platform media consumption habits of LDA Millennials, found that the average 21-34 year old spends about 19 hours per week watching live TV. Although this is less TV viewing time than any other adult demo, it still accounts for the single biggest bucket of time spent with media. TV is still a very important media channel for Millennials.

While TV is still king, advertisers have an overabundance of ways to reach their best consumers, and face some tough budget allocation decisions in regard to their marketing mix. Consider this, adults 21-34 years old spend about 11 hours weekly tuning in to AM/FM radio, and they spend about the same amount of time using an app/Web on a smartphone.

But just reaching this oft-fickle group doesn't mean your ads will drive them to the purchase point. After all, reaching potential imbibers with creative messages and actually having those messages resonate in a world of increasing ad clutter are two different things entirely.

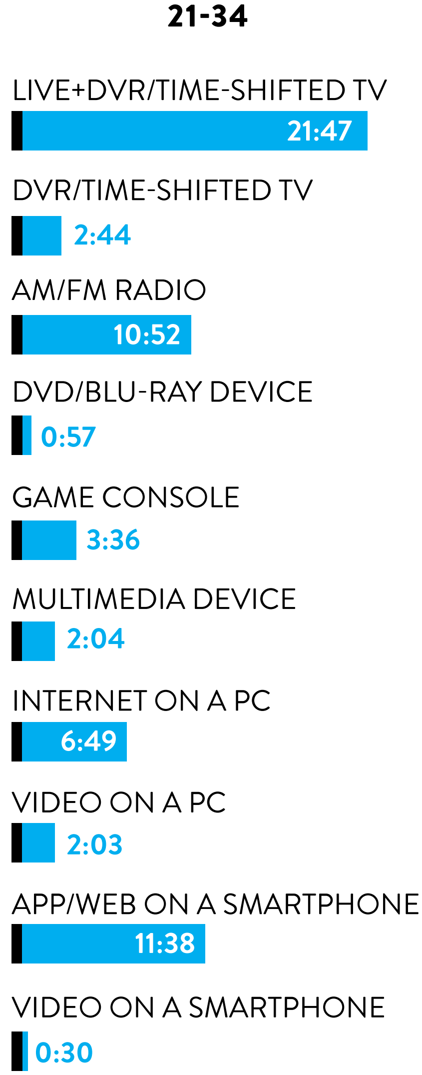
In the Top Bev-Al Ads section of this report, we looked at alcoholic beverage creatives that were the most successful in terms of brand memorability and found that the best ones employed a strong creative concept and storylines that were unique, had humor and brand cues early on and throughout the spot.

MILLENNIALS SHOP DIFFERENTLY

As shoppers, Millennials are different from older generations. While they prioritize value like their older counterparts, they are more likely to buy natural and organic products (38% more likely) and they jump on new trends more quickly. For example, 42% say they bought gluten-free products last year, well above the 29% reported by Baby Boomers.

WEEKLY TIME SPENT WITH MEDIA

TIME SPENT IN HOURS: MINUTES FOR U.S. POPULATION

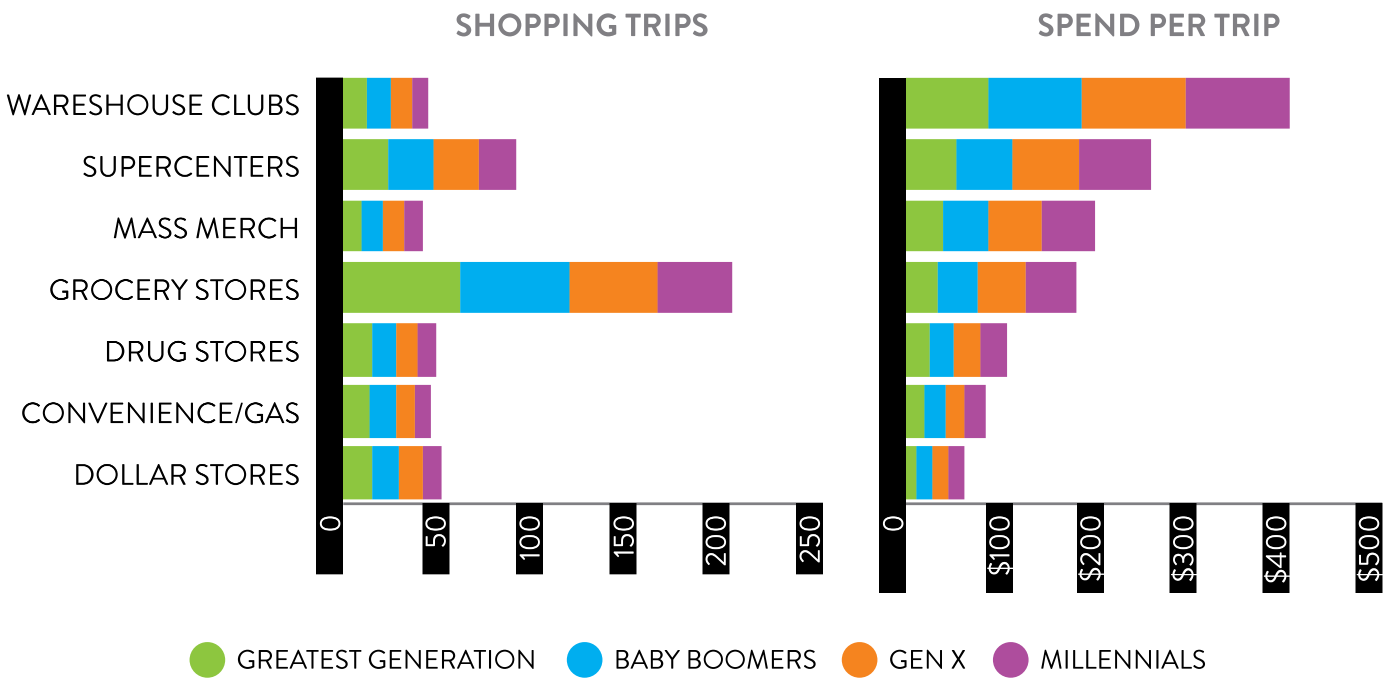


When it comes to retail shopping, Millennials are value-conscious and particular. They look for good deals, primarily online, and won't think twice about downloading a store coupon from an app on their smartphone or tablet. While they're deal seekers, Millennials won't give up quality or taste when it comes to their alcoholic beverage purchases. And as a result, a large percentage say they will not spend their money on mass-market alcoholic beverages, helping to drive the growing popularity.

In a survey Nielsen conducted in August 2015, 34% of spirits drinkers said they equate a higher price with higher quality either all or most of the time. Among Millennials, however, the percent was 41%, while only 27% of Boomers associate price and quality. And a craft beverage alcohol survey in May 2015 found that consumers 21-34 desire craft beer that is associated with being handcrafted, artisanal and top quality.

Much like their desires to purchase organic and healthy, Millennials are interested in trying new things and experimenting, and this appetite factors into the alcoholic beverages they choose. For example, Millennial Gatekeepers - the primary shopper in a multi-generational household - are 43% more likely than the entire Millennial generation to want to try new and different products. As a whole, Millennials are fairly brand promiscuous, especially when it comes to beer and wine. They don't yet know what they'll like or not like, which results in adventurousness in general and the likelihood that they 'try' different brands.

MILLENNIALS MAKE FEWER TRIPS, BUT SPEND MORE PER TRIP



Source: Nielsen Homescan, total U.S. 52 Weeks ended Dec. 27, 2014, based on total basket ring, excluding gas only and Rx only trips

BUILDING PRE-STORE BUZZ IS CRITICAL WITH MILLENNIALS

Because of their affection for technology, Millennials are generally more highly engaged in pre-store buzz than older generations. As a result, trial and pre-store promotions in the overall CPG space are critical in order to reach this group, whereas Gen X and Boomer consumers are more interested in browsing and investigating labels when they are in the store. So while there's a great opportunity to influence in-store decisions among older consumers, retailers and manufacturers need to influence Millennial purchase decisions before they even get to the store.

Influencing Millennials before they make their shopping trips is even more important because they make fewer trips than their older counterparts. For example, the average Millennial makes 39 trips to the grocery store each year, compared with 48 among Gen X and 58 trips among Boomer consumers. That said, however, they make more out of each trip by spending more per visit. Millennials spend an average of $54 per trip, $11 more than Boomers.

But what about alcoholic beverage shopping? While this newest generation of full-fledged adults is very planning-oriented when it comes to overall shopping, it's the opposite when they shop for in the alcohol aisle. Here, Millennials plan less than Gen X and Boomer consumers when they shop. This makes them more engaged within the store than when they shop for other categories. As alcohol beverage shoppers, Millennials look at product details, deals and promotions, providing a significant opportunity for retailer and manufacturer influence. And since Millennials are more likely to be multicultural, opportunity exists for retailers and manufacturers to leverage cultural affinities and affiliations in building engagement.

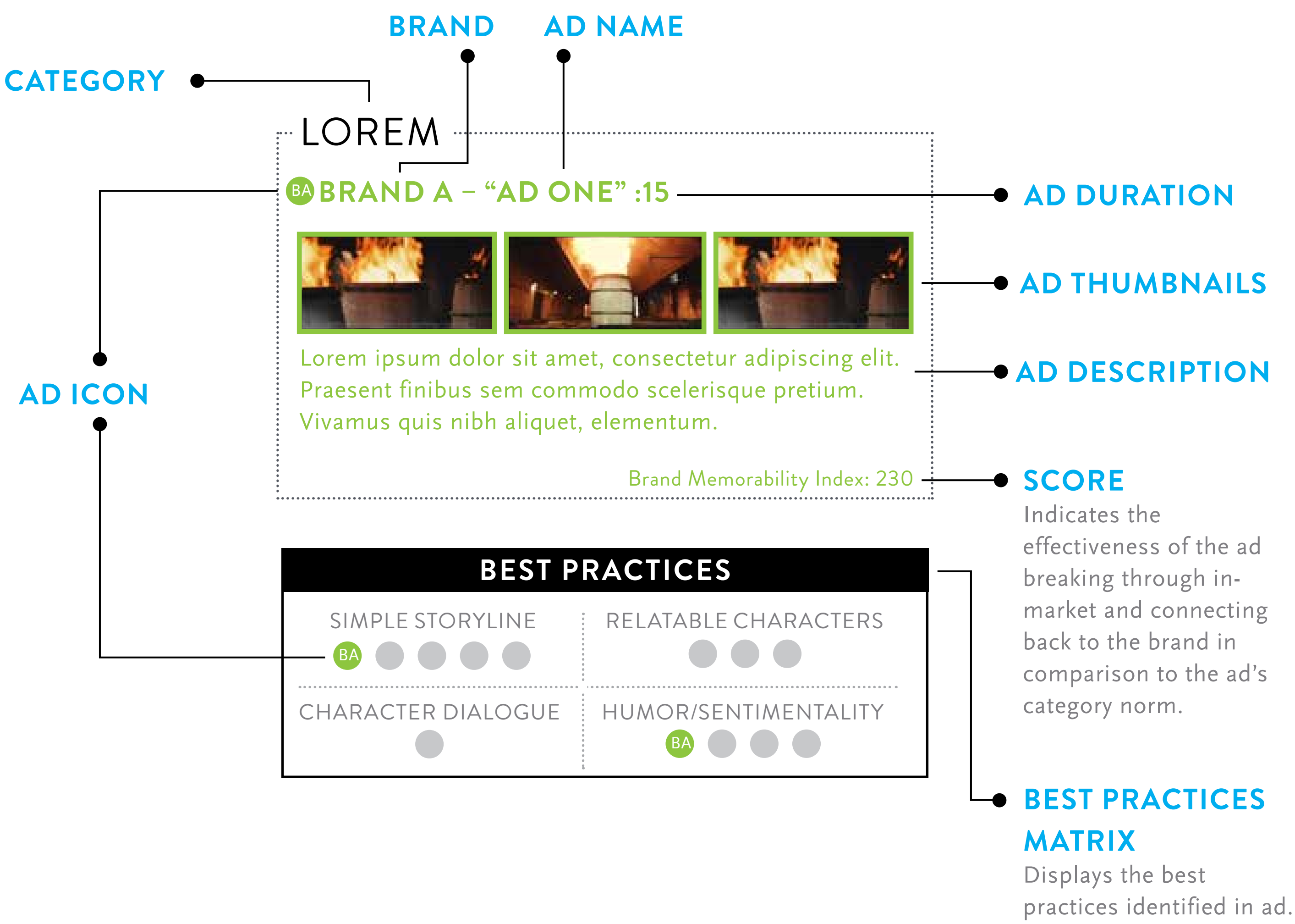
For retailers and manufacturers looking to engage with Millennials, the bottom line should be about focusing on delivering key brand messages that are authentic and original and reaching these consumers both before and during their shopping trips.

THE BEST OF THE BEST: TOP BEV-AL TELEVISION ADS

Today's consumers have more access to more information than ever before, and we are consuming information at a faster and faster rate. The average adult (21+) watches 5 hours of TV per day. This equates to about 250 ad impressions per day, or 1,750 ad impressions per week.

The ads showcased in this section were able to break through the clutter of real-world TV ad viewing—including the impact of multi-tasking and life's many other distractions—to deliver high performance in Brand Memorability.

HOW TO READ TOP ADS PERFORMANCE SECTION:



TOP TV BEVERAGE ALCOHOL ADS: Q3 2015

NIELSEN TV BRAND EFFECT

BEER

CL COORS LIGHT – "BORN IN THE ROCKIES - PLACE" :15

This ad features images of the Rocky Mountains, which have become a recognizable brand icon for Coors and help drive brand recognition.

Brand Memorability Index: 171

SPIRITS

JD JACK DANIELS – "OLD FASHIONED" :30

Jack Daniel's leverages the whiskey production process, including images of barrel production, fire burning, and smoking charcoal, as ownable concepts to connect with viewers.

Brand Memorability Index: 183

WINE

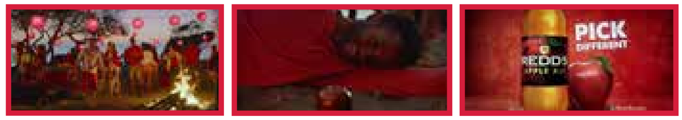
BB BLACK BOX – "CHECKOUT" :15

Black Box employs a simple and informational story line to help this ad break through the clutter.

Brand Memorability Index: 121

FMBS & CIDERS

RD REDD'S – "BONFIRE" :15



Redd's checks off many creative best practices including establishing an ownable creative concept, use of appropriate humor, character dialogue, and incorporating the apple as a brand icon throughout.

Brand Memorability Index: 179

BREAKTHROUGH BEST PRACTICES

Best practice	Ads
SIMPLE STORYLINE	CL, JD, BB, RD
RELATABLE CHARACTERS	JD, RD
CHARACTER DIALOGUE	RD
HUMOR/SENTIMENTALITY	CL, JD, RD

BRANDING BEST PRACTICES

Best practice	Ads
EARLY VISUAL/VERBAL CUES	RD
LEVERAGE BRAND ICON	CL, RD
OWNABLE CONCEPT	CL, JD, RD
BRAND IN STORYLINE	RD

Source: Nielsen TV Brand Effect, 7.1.2015 - 9.30.2015, A21+
Evaluating English-language ads on English-language networks within TV Brand Effect coverage only
Scores are for Q3-2015 airings ONLY. Only ads that debuted after 1.1.2015 were considered. Ads with less than 100 sample were not considered
Branded Memorability indexed against the 2012-2014 Beverage Alcohol norm for Branded Memorability--norm encompasses data from over one million LDA consumers across 715 ads and 97 brands

TOP TV BEVERAGE ALCOHOL ADS: Q4 2015

NIELSEN TV BRAND EFFECT

BEER

CL COORS LIGHT – "BORN IN THE ROCKIES - MILLIONS" :30

This ad is another execution within the "Born in the Rockies" campaign. Like the "Place :15" creative which was featured as our Best Beer ad in Q3, this ad also features Rocky Mountain landscape shots to successfully telegraph the Coors brand.

Brand Memorability Index: 163

SPIRITS

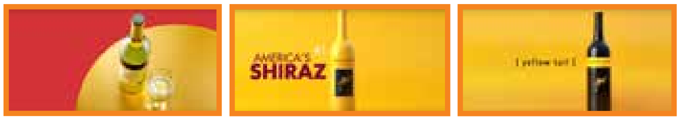
JD JACK DANIELS – "OLD FASHIONED" :30

Back again as the top ad for Spirits, this Jack Daniel's creative is still best in class, even though its total Brand Memorability Index is directionally lower now than in Q3. There are many media and competitive factors that may have dampened the score of this strong creative.

Brand Memorability Index: 142

WINE

YT YELLOW TAIL – "GO-TO" :30

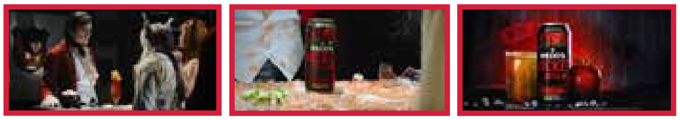


Yellow Tail's usage of verbal/visual brand cues early and often and peppering images of relatable characters throughout the spot helped this ad perform above others in the category.

Brand Memorability Index: 163

FMBS & CIDERS

RD REDD'S – "HALLOWEEN – BLOODY MARY" :15



While this ad didn't leverage Redd's apple brand icon, the use of appropriate humor and character dialogue helped the ad break through with viewers.

Brand Memorability Index: 150

BREAKTHROUGH BEST PRACTICES

SIMPLE STORYLINE CL JD RD	RELATABLE CHARACTERS JD YT RD
CHARACTER DIALOGUE RD	HUMOR/SENTIMENTALITY CL JD RD

BRANDING BEST PRACTICES

EARLY VISUAL/VERBAL CUES YT	LEVERAGE BRAND ICON CL
OWNABLE CONCEPT CL JD YT	BRAND IN STORYLINE YT RD

Source: Nielsen TV Brand Effect, 10.1.2015 - 12.31.2015, A21+
Evaluating English-language ads on English-language networks within TV Brand Effect coverage only
Scores are for Q4-2015 airings ONLY. Only ads that debuted after 1.1.2015 were considered. Ads with less than 100 sample were not considered
Branded Memorability indexed against the 2012-2014 Beverage Alcohol norm for Branded Memorability--norm encompasses data from over one million LDA consumers across 715 ads and 97 brands

LDA AUDIENCE MEDIA CONSUMPTION

TOTAL LDA AUDIENCE MEDIA CONSUMPTION

AVERAGE TIME SPENT PER ADULT 21+ PER DAY

EXHIBIT 1 - BASED ON THE TOTAL U.S. LDA POPULATION

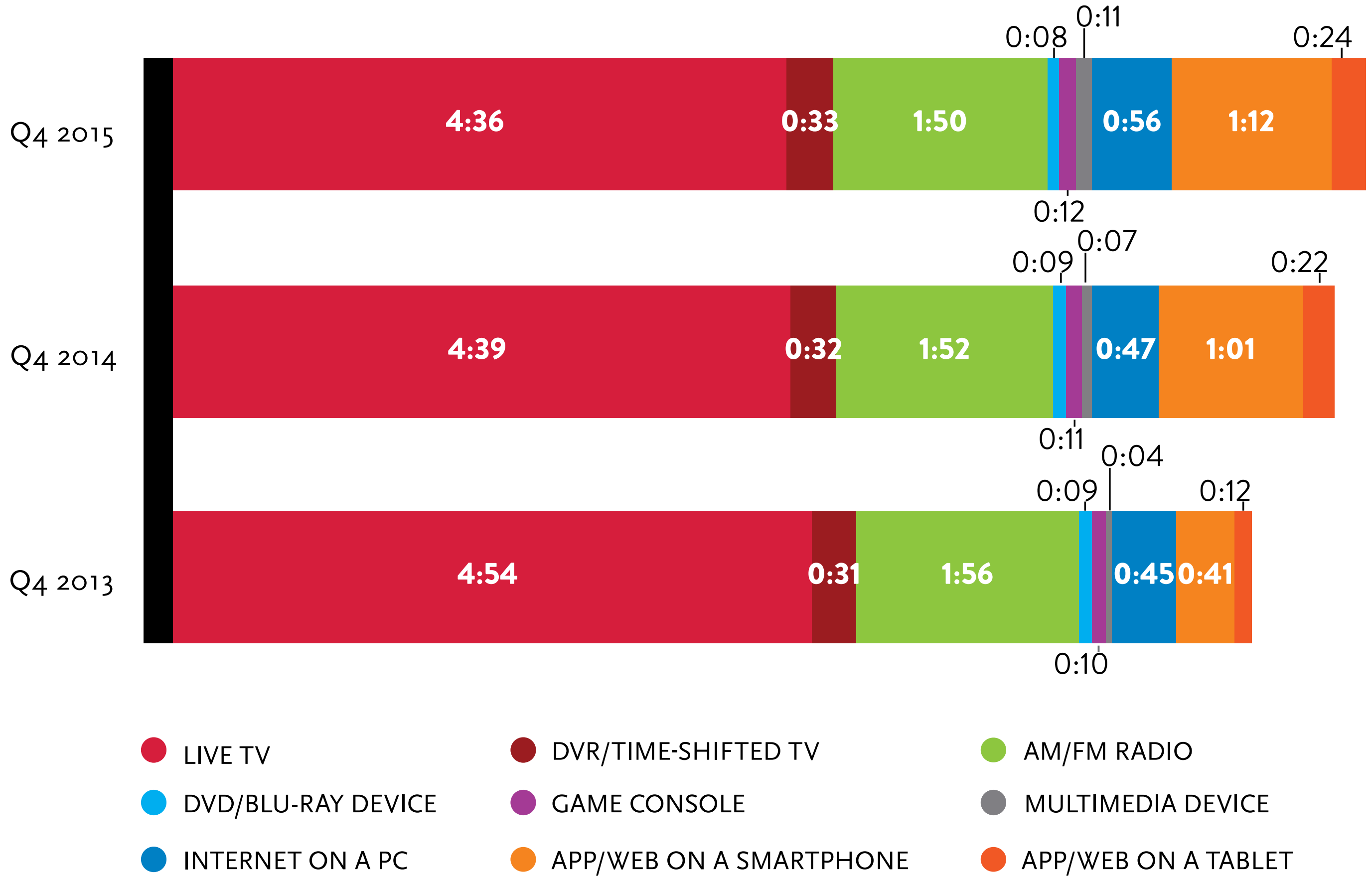


TABLE 1A – A WEEK IN THE LIFE FOR **Q4 2015**

WEEKLY TIME SPENT IN HOURS:MINUTES BY AGE FOR U.S. POPULATION

	A 21-34	A 25-34	A 35-49	A 50-64	A 65+	A 21+	BLACK 21+	HISP. 21+	ASIAN AM. 21+
Live+DVR/Time-shifted TV	21:47	23:12	31:25	42:59	50:53	36:03	51:21	28:22	18:09
DVR/Time-shifted TV	2:44	3:07	4:14	4:31	4:09	3:54	3:35	2:28	2:17
AM/FM Radio	10:52	11:11	13:23	14:54	12:01	12:52	13:26	13:12	n/a
DVD/Blu-Ray Device	0:57	1:02	1:01	0:56	0:38	0:54	1:04	0:53	0:40
Game Console	3:36	3:07	1:22	0:21	0:06	1:25	1:31	1:24	0:59
Multimedia Device	2:04	2:13	1:26	0:51	0:36	1:16	0:59	1:13	2:27
Internet on a PC	6:49	7:10	7:56	6:58	3:59	6:34	7:25	5:18	4:35
Video on a PC	2:03	2:08	1:53	1:11	0:36	1:28	2:08	1:37	1:29
App/Web on a Smartphone	11:38	10:49	10:52	8:00	1:46	8:25	9:45	10:32	6:38
Video on a Smartphone	0:30	0:24	0:20	0:11	IFR	0:16	0:29	0:30	0:18

Note: IFR represents data that is insufficient for reporting due to small sample sizes. n/a represents data unavailability

TABLE 1B - A WEEK IN THE LIFE FOR **Q4 2014**

WEEKLY TIME SPENT IN HOURS:MINUTES BY AGE FOR U.S. POPULATION

	A 21-34	A 25-34	A 35-49	A 50-64	A 65+	A 21+	BLACK 21+	HISP. 21+	ASIAN AM. 21+
Live+DVR/Time-shifted TV	23:17	24:52	32:24	42:31	50:00	36:19	51:36	29:58	19:33
DVR/Time-shifted TV	2:54	3:20	4:11	4:16	3:36	3:46	3:19	2:32	2:06
AM/FM Radio	11:17	11:30	13:39	14:55	12:06	13:04	13:41	13:44	n/a
DVD/Blu-Ray Device	1:12	1:18	1:12	1:02	0:38	1:02	1:12	0:59	0:48
Game Console	3:19	2:56	1:06	0:22	0:07	1:16	1:23	1:27	0:59
Multimedia Device	1:17	1:19	0:55	0:28	0:22	0:47	0:36	0:30	1:50
Internet on a PC	5:48	5:51	7:13	5:37	3:07	5:35	6:40	3:45	4:32
Video on a PC	1:56	1:52	1:45	1:10	0:29	1:23	2:12	1:05	0:56
App/Web on a Smartphone	10:01	9:24	8:52	5:48	1:15	7:08	8:30	9:12	6:59
Video on a Smartphone	0:23	0:17	0:13	0:07	IFR	0:12	0:18	0:19	0:18

TABLE 2 – OVERALL USERS BY MEDIUM

NUMBER OF USERS 21+ (IN 000'S) - MONTHLY

	COMPOSITE		BLACK		HISPANIC		ASIAN AMERICAN	
	Q4 14	Q4 15	Q4 14	Q4 15	Q4 14	Q4 15	Q4 14	Q4 15
Live+DVR/Time-shifted TV	212,210	213,086	26,378	26,723	31,934	32,548	11,356	11,685
DVR/Time-shifted TV	135,797	145,608	16,377	17,875	17,155	19,079	6,186	7,203
AM/FM Radio	221,825	223,102	27,095	27,305	34,092	34,235	n/a	n/a
DVD/Blu-Ray Device	102,511	91,719	11,672	10,338	14,599	12,897	4,978	4,317
Game Console	56,661	52,652	6,728	6,328	9,979	9,003	3,572	3,366
Multimedia Device	30,823	51,355	2,899	4,877	3,750	8,435	3,896	5,244
Internet on a PC	165,241	154,552	20,528	18,936	18,945	17,926	5,892	5,445
Video on a PC	124,463	109,851	15,531	13,713	13,618	12,261	4,726	3,998
App/Web on a Smartphone	155,468	173,936	19,468	21,439	26,730	29,361	8,756	9,365
Video on a Smartphone	116,530	131,466	15,992	17,634	21,399	23,763	6,869	6,481

TABLE 3 – MONTHLY TIME SPENT BY MEDIUM AMONG USERS

USERS IN HOURS: MINUTES AMONG P21+

	COMPOSITE		BLACK		HISPANIC		ASIAN AMERICAN	
	Q4 14	Q4 15	Q4 14	Q4 15	Q4 14	Q4 15	Q4 14	Q4 15
Live+DVR/Time-shifted TV	168:08	168:18	235:41	236:38	136:01	129:56	99:20	93:36
DVR/Time-shifted TV	27:12	26:40	24:21	24:44	21:21	19:20	19:39	19:02
AM/FM Radio	61:38	60:59	64:18	63:35	62:30	61:21	n/a	n/a
DVD/Blu-Ray Device	9:58	9:41	12:22	12:42	9:41	10:10	9:15	9:14
Game Console	22:03	26:37	24:42	29:34	21:07	23:14	15:46	17:40
Multimedia Device	24:54	24:33	24:38	25:02	19:31	21:35	27:09	28:11
Internet on a PC	33:30	42:15	39:30	48:00	28:45	43:58	44:40	50:30
Video on a PC	11:02	13:31	17:22	19:07	11:36	20:04	11:32	22:49
App/Web on a Smartphone	45:06	48:11	52:37	56:04	49:55	53:31	46:04	42:47
Video on a Smartphone	1:43	2:06	2:17	3:23	2:14	3:14	2:38	2:56

The data sources in Table 3 should not be added or subtracted; they are based on users of each medium and the bases vary by source.

TABLE 4A – MONTHLY TIME SPENT BY MEDIUM IN HOURS: MINUTES AMONG USERS
AMONG COMPOSITE

	A 21-34	A 25-34	A 35-49	A 50-64	A 65+	A 21+
Live+DVR/Time-shifted TV	108:49	113:45	145:04	195:37	229:22	168:18
DVR/Time-shifted TV	19:56	21:28	26:57	29:52	30:02	26:40
AM/FM Radio	51:36	52:45	61:51	69:04	60:37	60:59
DVD/Blu-Ray Device	12:30	12:34	9:32	9:18	7:23	9:41
Game Console	39:02	33:47	18:52	12:05	10:08	26:37
Multimedia Device	30:22	30:46	22:12	19:54	23:06	24:33
Internet on a PC	44:49	45:02	45:25	42:48	31:44	42:15
Video on a PC	19:40	19:43	15:43	10:05	6:47	13:31
App/Web on a Smartphone	56:11	55:27	53:12	39:17	30:42	48:11
Video on a Smartphone	2:59	2:36	2:04	1:22	0:34	2:06

TABLE 4B – MONTHLY TIME SPENT BY MEDIUM IN HOURS: MINUTES AMONG USERS
AMONG BLACKS

	A 21-34	A 25-34	A 35-49	A 50-64	A 65+	A 21+
Live+DVR/Time-shifted TV	162:44	161:09	211:56	283:33	334:51	236:38
DVR/Time-shifted TV	19:33	19:33	27:34	27:59	23:13	24:44
AM/FM Radio	51:36	53:29	63:48	74:59	66:41	63:35
DVD/Blu-Ray Device	14:31	15:16	12:56	13:17	8:25	12:42
Game Console	41:15	36:54	20:59	12:11	12:08	29:34
Multimedia Device	30:03	29:23	23:01	23:03	13:54	25:02
Internet on a PC	53:11	54:09	53:48	40:55	33:20	48:00
Video on a PC	23:45	24:43	22:40	13:35	7:51	19:07
App/Web on a Smartphone	67:40	70:15	66:01	41:54	IFR	56:04
Video on a Smartphone	4:29	4:06	3:28	2:34	IFR	3:23

The data sources in Table 4 should not be added or subtracted; they are based on users of each medium and the bases vary by source.

TABLE 4C – MONTHLY TIME SPENT BY MEDIUM IN HOURS: MINUTES AMONG USERS

AMONG HISPANICS

	A 21-34	A 25-34	A 35-49	A 50-64	A 65+	A 21+
Live+DVR/Time-shifted TV	92:42	100:31	121:42	162:12	218:36	129:56
DVR/Time-shifted TV	17:40	19:01	18:51	21:26	23:01	19:20
AM/FM Radio	53:33	55:17	64:57	68:55	64:27	61:21
DVD/Blu-Ray Device	11:35	11:34	9:15	10:15	8:26	10:10
Game Console	31:41	27:15	15:36	10:06	11:10	23:14
Multimedia Device	26:54	27:39	18:52	15:21	15:50	21:35
Internet on a PC	49:26	47:05	43:41	37:53	35:47	43:58
Video on a PC	23:04	22:31	26:21	10:40	8:35	20:04
App/Web on a Smartphone	57:51	56:01	56:25	40:11	IFR	53:31
Video on a Smartphone	3:49	3:13	3:04	1:52	IFR	3:14

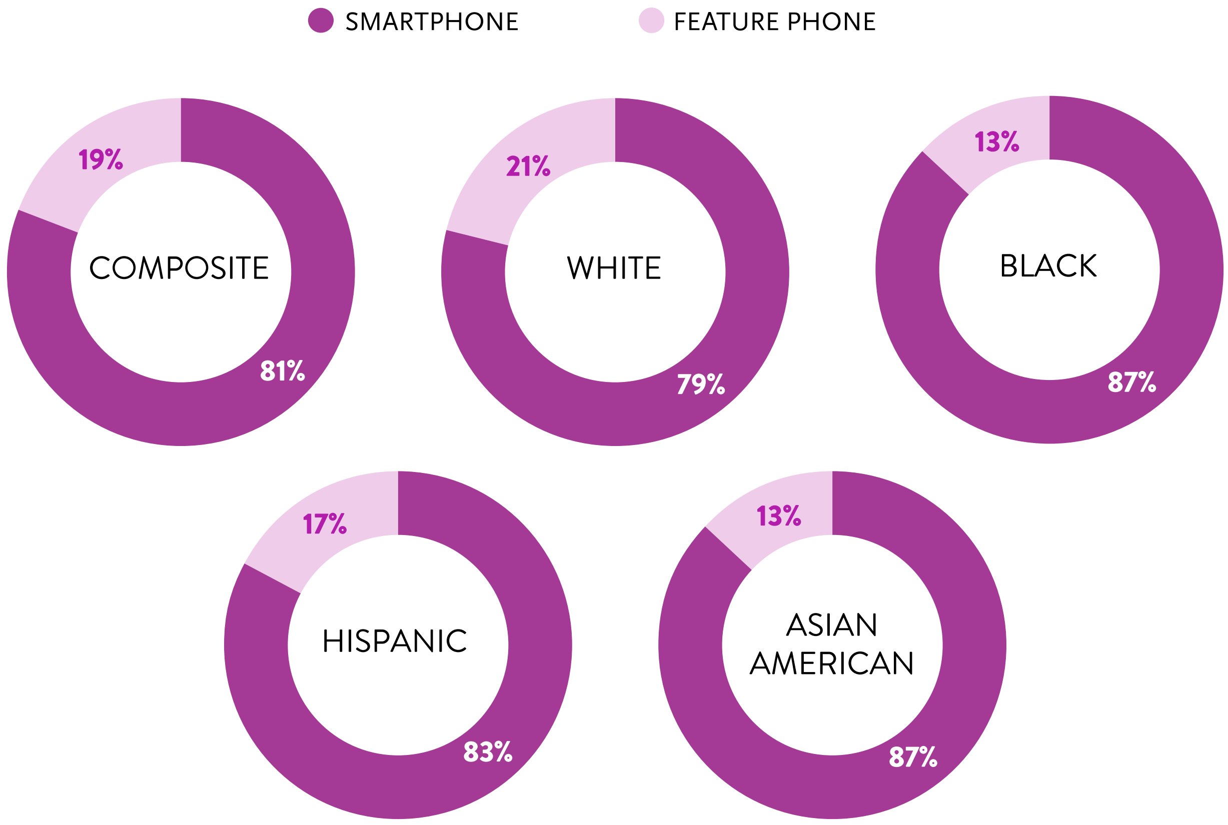
TABLE 4D – MONTHLY TIME SPENT BY MEDIUM IN HOURS: MINUTES AMONG USERS

AMONG ASIAN AMERICANS

	A 21-34	A 25-34	A 35-49	A 50-64	A 65+	A 21+
Live+DVR/Time-shifted TV	62:58	63:39	78:20	105:35	153:08	93:36
DVR/Time-shifted TV	13:44	15:14	20:31	23:30	19:04	19:02
DVD/Blu-Ray Device	10:14	10:49	10:18	6:09	10:38	9:14
Game Console	26:18	20:54	14:39	11:45	7:06	17:40
Multimedia Device	28:16	28:38	23:40	28:11	52:21	28:11
Internet on a PC	65:22	57:25	59:08	24:11	19:51	50:30
Video on a PC	19:06	18:11	40:24	8:00	5:05	22:49
App/Web on a Smartphone	48:14	45:42	43:23	IFR	IFR	42:47
Video on a Smartphone	3:19	3:02	2:58	IFR	IFR	2:56

The data sources in Table 4 should not be added or subtracted; they are based on users of each medium and the bases vary by source.

EXHIBIT 2: MOBILE DEVICE PENETRATION BY ETHNICITY AMONG MOBILE SUBSCRIBERS 21+



SOURCING & METHODOLOGIES

TELEVISION METHODOLOGY

Live+DVR/Time-shifted TV includes Live usage plus any playback viewing within the measurement period. DVR/Time-shifted TV is playback primarily on a DVR but includes playback from video on demand, DVD recorders, server based DVR's and services like Start Over.

TV-connected devices (DVD, Game Console, Multimedia Device) would include content being viewed on the TV screen through these devices. This would include when these devices are in use for any purpose, not just for accessing media content. For example, Game Console would also include when the game console is being used to play video games.

Multimedia Devices is a combination of usage of the Internet Connected Devices viewing source and Audio-Video viewing sources. It would include viewing on an Apple TV, Roku, Google Chromecast, Smartphone, Computer/Laptop, etc. connected to the TV.

Reach for television and TV-connected devices includes those viewing at least one minute within the measurement period.

Data used in this report is inclusive of multicultural audiences. Hispanic consumer audiences are comprised of both English and Spanish speaking representative populations.

AM/FM RADIO METHODOLOGY

Listening to programming from AM/FM radio stations or network programming.

Audience estimates for 48 large markets are based on a panel of people who carry a portable device called a Personal People Meter (PPM) that passively detects exposure to content that contains inaudible codes embedded within the program content. Audience estimates from the balance of markets and countries in the U.S. are based on surveys of people who record their listening in a written diary for a week.

The estimates in this report are based on RADAR and the National Regional Database. RADAR reports national network radio ratings covering the U.S. using both PPM and Diary measurement and it is based on a rolling one-year average of nearly 400,000 respondents.

Monthly Radio Estimates: Nielsen's Measurement Science group used statistical modeling techniques to estimate the total cume audience to radio in a four week period, as compared to the total cume audience to radio in an average week. The methodology utilized PPM panel data, and essentially measured how many people who were not exposed to radio in a single week might typically be exposed to radio over a consecutive four week period. A radio cume growth factor was then determined and applied to radio listening on a national basis.

Listening to HD radio broadcasts, Internet streams of AM/FM radio stations and Satellite Radio is included in the Persons Using Radio estimates in this report where the tuning meets our reporting and crediting requirements of at least 5 minutes of usage.
Data used in this report is inclusive of multicultural audiences. Hispanic consumer audiences are comprised of both English and Spanish speaking representative populations.

ONLINE METHODOLOGY

Nielsen's Online Panel is recruited based on an opt-in convenience panel. Online recruitment pages are offered in both English and Spanish. Panelists then download Nielsen's patented desktop NetSight meter, which accurately identifies which browser, tab, Internet application (including media players and instant messaging) or desktop application is in focus. Nielsen's Online Panel tracks usage across web sites and digital applications to deliver audience and analytics through metered measurement of panels of Internet users at both home and work.

The hybrid methodology combines a census level accounting of page views and video streams where Nielsen measurement tags have been deployed in order to project audience and behavior to the full universe of all Internet users. For VideoCensus, the portion of the total video streams calibrated by census data are allocated to other devices and locations such as smartphones and viewing outside of home and work.

Hours:minutes for Internet and video use are based on the universe of persons who used the Internet/watched online video. All Internet figures are weekly or monthly averages over the course of the quarter. All Internet on a PC metrics are derived from Nielsen NetView, while all Video on a PC metrics are derived from Nielsen VideoCensus. The audience of Video on a PC is a subset of Internet on a PC.

As of August 2015, the rules used for crediting page views and duration within Netview have been updated with more comprehensive accounting of multi-tabbed browsing and iFrames, as well as the implementation of a longer timeout threshold for mouse/keyboard inactivity. These changes resulted in an increase in Internet duration on a PC.

MOBILE METHODOLOGY

Nielsen's Electronic Mobile Measurement (EMM) is an observational, user-centric approach that uses passive metering technology on smartphones and tablets to track device and application usage on an opt-in convenience panel, recruited online and in English. Results are then reported out through Nielsen Mobile NetView 3.0. There are approximately 9,000 smartphone and 1,300 tablet panelists in the U.S. across both iOS and Android smartphone devices. This method provides a holistic view of all activity on the device as the behavior is being tracked without interruption.

A number of steps are taken after the data collection process to ensure the reported data is representative of the mobile population. For smartphones, weighting controls are applied across five characteristics (gender, age, income, race, and ethnicity) while independent enumeration studies are carried out on a continuous basis to provide the most current estimates of the mobile population (aka Universe Estimation).

Tablet data is unweighted and projections are applied using estimates from the National People Meter (NPM) panel that is the industry standard for TV ratings.

Figures reported in Nielsen's Mobile NetView 3.0 include those individuals who have used an iOS or Android device in the U.S. In particular:

App/Web refers to consuming mobile media content through a web browser or via a mobile app. It does not include other types of activity such as making/receiving phone calls, sending SMS/MMS messages etc, which has been excluded for this report.

Video is a subset of App/Web and refers to those individuals who visit a website or use a mobile app specifically designed to watch video content.

TV BRAND EFFECT METHODOLOGY

Nielsen TV Brand Effect employs a nationally representative online panel of U.S. TV viewers who have watched programs within the past 24 hours. These panelists answer survey questions about the programs they watched and the commercials they were exposed to. Since the panelists respond based on what they watched in a natural environment, the results reflect real-life reaction to and memory of television commercials. Nielsen logs and issues surveys for all national commercials within its coverage dayparts and networks. Advertisements evaluated for this report were English-language ads viewed on English-language networks within TV Brand Effect coverage only.

BRAND MEMORABILITY INDEX

The Brand Memorability Index represents an ad's Brand Memorability indexed against that ad's category average for adults 21+. A Brand Memorability Index of 100 indicates that the ad is performing at the category average.

AD MEMORABILITY

The percentage of an ad's natural in-home viewers who are able to remember its content the next day.

BRAND LINKAGE

Of those viewers who remember an ad's content (Ad Memorability), the percentage that are able to identify the advertised brand.

BRAND MEMORABILITY

The percentage of viewers who are able to remember both the ad's content and the advertised brand (Ad Memorability * Brand Linkage).

SOURCING

EXHIBIT 1 & TABLES 1, 2, 3, 4 – AVERAGE TIME SPENT PER ADULT 21+ PER DAY, A WEEK IN THE LIFE, USERS BY MEDIUM, MONTHLY TIME SPENT BY MEDIUM AMONG USERS

Source: Live+DVR/Time-shifted TV, DVR/Time-shifted TV, DVD, Game Consoles, Multimedia Devices 09/28/2015 – 12/27/2015 via Nielsen NPOWER/NPM Panel, Radio 09/11/14-09/09/15 via RADAR 127, PC 10/01/15-12/31/15 via Nielsen Netview and Nielsen VideoCensus, Smartphone 10/01/15-12/31/15 via Nielsen Electronic Mobile Measurement, Tablet 10/01/15-12/31/15 via Nielsen Electronic Mobile Measurement – unweighted, projections based on estimates from the NPOWER/NPM Panel.

Exhibit 1 and Table 1 are based on the total U.S. population whether or not they have the technology.

Tables 2-4 are based on users of each medium.

EXHIBIT 2 – MOBILE DEVICE PENETRATION AMONG MOBILE SUBSCRIBERS 21+

Source: Mobile 10/01/15-12/31/15 via Nielsen Mobile Insights.

THEY'RE THIRSTY FOR DEALS, BUT MILLENNIALS WON'T SACRIFICE TASTE OR QUALITY IN THEIR ALCOHOLIC BEVERAGES :

- Nielsen's Beverage Alcohol Brand Purchase Set study was based on an English-language survey sent to 2,000 age 21+ adults that was conducted Feb. 12-17, 2015.
- Nielsen's Multi-Generational Households study included data from Nielsen Homescan Panel Generations Survey conducted between April-May 2014.
- Nielsen's QuickQuery craft beverage alcohol study was based on an English-language survey conducted by Harris Poll. The survey was conducted online May 15-19, 2015, among more than 2,000 U.S. adults 21+.
- Nielsen Beverage Alcohol Category Shopping Fundamentals Study, December 2014.

Note: IFR represents data that is insufficient for reporting due to small sample sizes. n/a represents data unavailability.

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world's population.

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