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PRESS
INFORMATION

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STATEMENT REGARDING THE NIELSEN/IBOPE MEXICO 2016-17 EXAMINATION

Digital transition related measurement issues were noted in recent audit testing

New York – February 27, 2017: The Media Rating Council, Inc. (MRC) is currently conducting its second audit of the Television Audience Measurement Service of Nielsen/IBOPE Mexico (the NIM Service, or the Service). Independent CPAs engaged by MRC conduct the audit, which currently remains ongoing. Upon completion, audit work will have covered all significant aspects of NIM's measurement methodology to determine whether the Service complies with the MRC's *Minimum Standards for Media Rating Research*. The Service is not currently accredited by the MRC.

Subsequent to the completion of the first MRC audit of the NIM service in 2015, MRC issued a public statement noting that while the NIM service was not accredited at the time, MRC's International Committee and Television Committee believed it to be substantially compliant with the *MRC Minimum Standards for Media Rating Research*. This 2015 statement can be found here: <http://mediaratingcouncil.org/GI8-11-15%20NIM%20Status%20PR.pdf>

As part of this most current audit of NIM, after certain tests of NIM's meter-based measurement processes were completed, material adverse findings were noted related to the accuracy of NIM's data capture process. These findings appear to be measurement issues that are tied to changes caused by Mexico's television digital transition, causing measurement ambiguities with regard to crediting viewing to the appropriate channel in some cases, and certain deficiencies in the quality controls in place over the processing of digital viewing data. Overall, these issues impacted a little over 10% of the channels tested in the NIM panel households MRC CPA auditors visited for audit testing across several cities in Mexico, but this rate varied across individual cities. The city of Guadalajara was the most impacted by this situation, with approximately double the average rate in tested households.

While this finding represents a material situation of non-compliance with MRC's Standards and needs timely correction by NIM, MRC's current view, pending completion of the ongoing audit, is that audience estimates from NIM can continue to be used as corrections are being made. However, customers should carefully evaluate significant year-to-year fluctuations in audiences. Additionally, MRC has made recommendations to Nielsen about disclosing more information to customers, more timely, on matters such as this going forward.

Nielsen states it is working on correcting these issues by implementing new processes, systems and controls and requested these changes to be subject to follow-up audit testing by MRC's CPAs after they are implemented. Nielsen expects these changes to be prepared for MRC's testing by May 2017.

The MRC expects to complete its audit of the NIM Service, including testing of the new changes intended to address these audit findings, during the second calendar quarter of 2017. At that time MRC will be considering the Service for accreditation and/or additional marketplace communication.