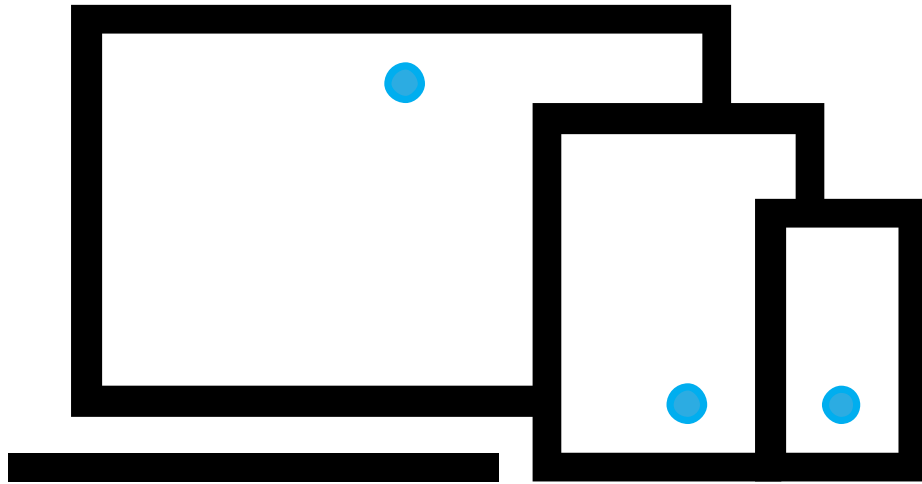




NEW ZEALAND MULTI-SCREEN REPORT

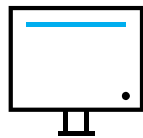
QUARTER I 2017



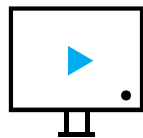
TV AND VIDEO CONTENT ACROSS MULTIPLE SCREENS

TV VIEWING MAINTAINS ITS POPULARITY

On average, 77% of Kiwis (aged 10+) watch broadcast TV each week¹ (3.1 million people) and this increases to 87% across each month². Weekly viewers spend more than 21.5 hours watching broadcast TV across an average week – over six hours more than Internet users spend online per week³.



**BROADCAST TV REACHES 77%
OF PEOPLE IN AN AVERAGE WEEK**



**PEOPLE SPEND 41% MORE
TIME VIEWING BROADCAST TV
CONTENT EACH WEEK THAN
INTERNET USERS SPEND ONLINE**

Around three-in-five (58%) people have a PVR in their home – A level that has grown from 54% since Quarter 1 2016. PVR ownership is a significant driver of TV viewing – consumers who own a PVR are more likely to view TV every day⁴ than a person without one.

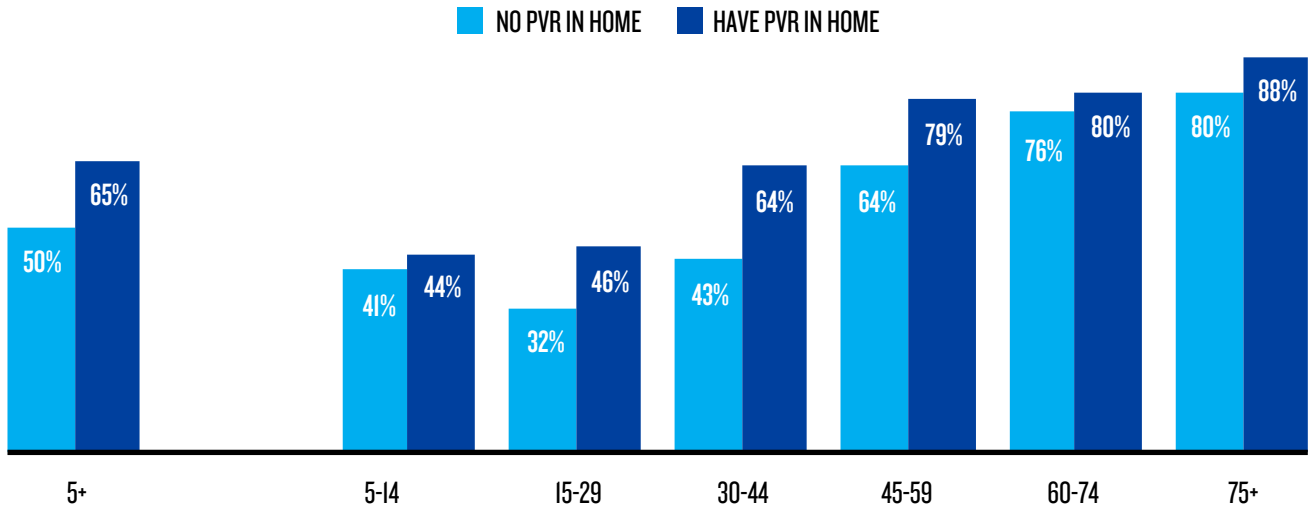
¹Television Audience Measurement (TAM), Average Weekly Cumulative Reach 1st Jan – 1st Apr 2017, All People 10+

²Television Audience Measurement (TAM), Average Monthly Cumulative Reach 1st Jan – 31st Mar 2017, All People 10+

³Nielsen Consumer and Media Insights, Q1 – Q4 2016, All People 10+

⁴Television Audience Measurement (TAM), 1st Jan 2016 – 31st Mar 2017, All People 5+

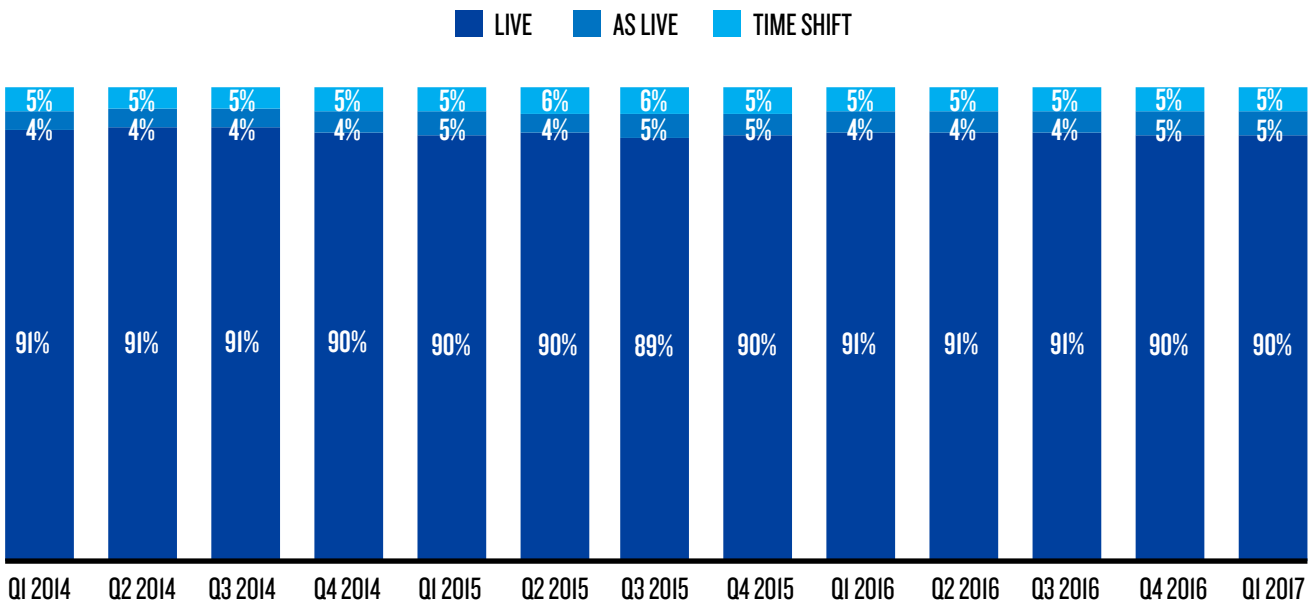
BROADCAST TV AVERAGE DAILY REACH BY AGE AND PVR OWNERSHIP



Nielsen Television Audience Measurement, Q1 2017

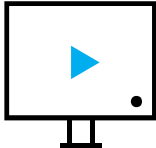
Despite over half of individuals who own PVR's, the overwhelming majority of broadcast TV engagement is still live (90%) and this trend has remained relatively stable since measurement commenced in 2012⁵.

SHARE OF ALL DAY FOR LIVE, AS LIVE AND TIME-SHIFTED VIEWING



Nielsen Television Audience Measurement, All people 5+

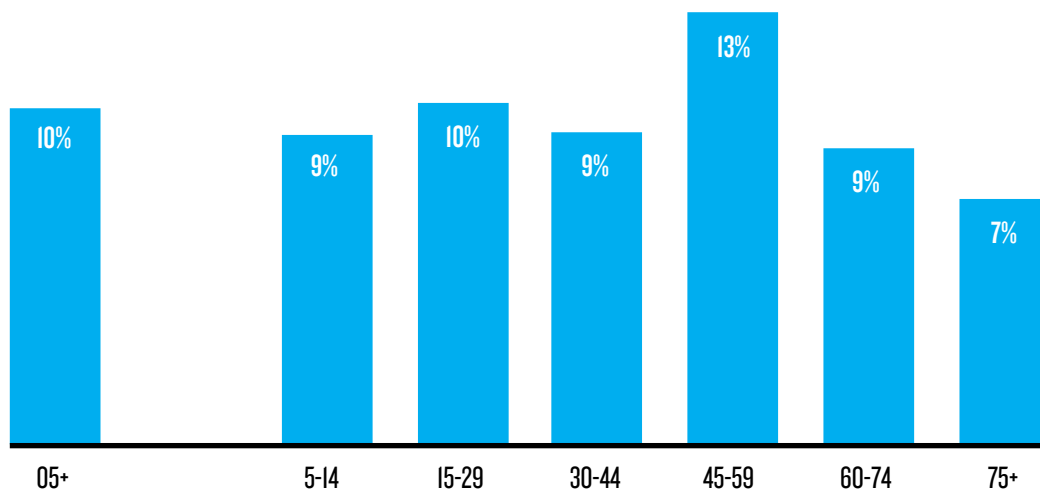
⁵Television Audience Measurement (TAM), 15th Jan 2012 – 31st Mar 2017, All People 5+

90% OF BROADCAST TV VIEWING IS SPENT WATCHING LIVE CONTENT

Consumers aged 45-59 have the highest proportion of time-shift viewing (13%); while those aged 75+ have the least at 7%. Across all age groups, live viewing is still the most dominant viewing behaviour⁶.

SHARE OF AS LIVE AND TIME-SHIFTED VIEWING BY AGE GROUPS (ALL DAY)



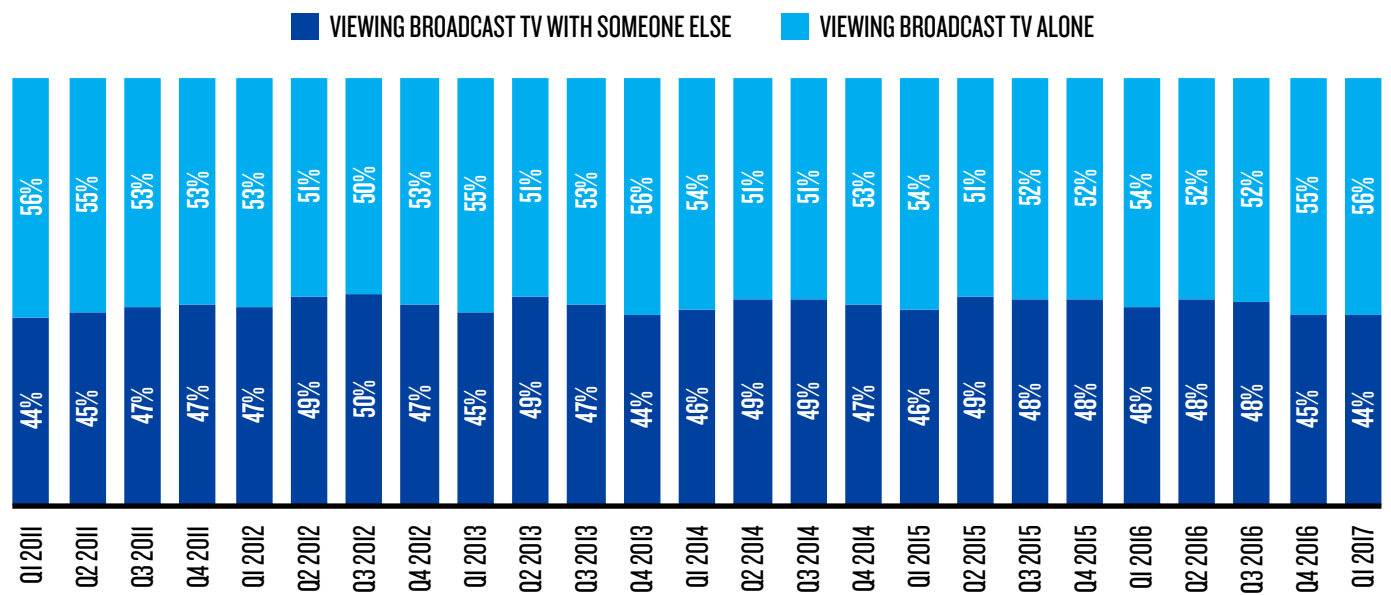
Nielsen Television Audience Measurement, Q1 2017

⁶Television Audience Measurement (TAM), Q1 2017, All People 5+

WE CONTINUE TO SOCIALISE WHILE WATCHING TV

Television viewing continues to be a social activity. While more New Zealanders watch TV on their own, the proportion that watch TV with at least one other person⁷ has remained fairly steady.

SHARE OF TIME SPENT WATCHING BROADCAST TV ALONE/WITH SOMEONE ELSE



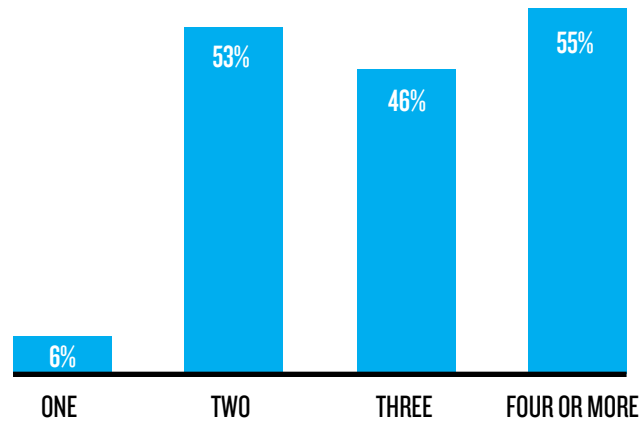
Nielsen Television Audience Measurement, All people 5+

Two-person households and those with four or more people are more likely to view television as a shared event; whereas a three-person household is more likely to engage in individual viewing. Interestingly, even those that live alone spend 6% of their viewing time with guests⁸.

⁷Television Audience Measurement (TAM), 1st Jan 2011 – 31st Mar 2017, All People 5+

⁸Television Audience Measurement (TAM), Q1 2017, All People 5+

SHARE OF CO-VIEWING BY HOUSEHOLD SIZE (TIME SPENT WATCHING BROADCAST TV WITH SOMEONE ELSE)

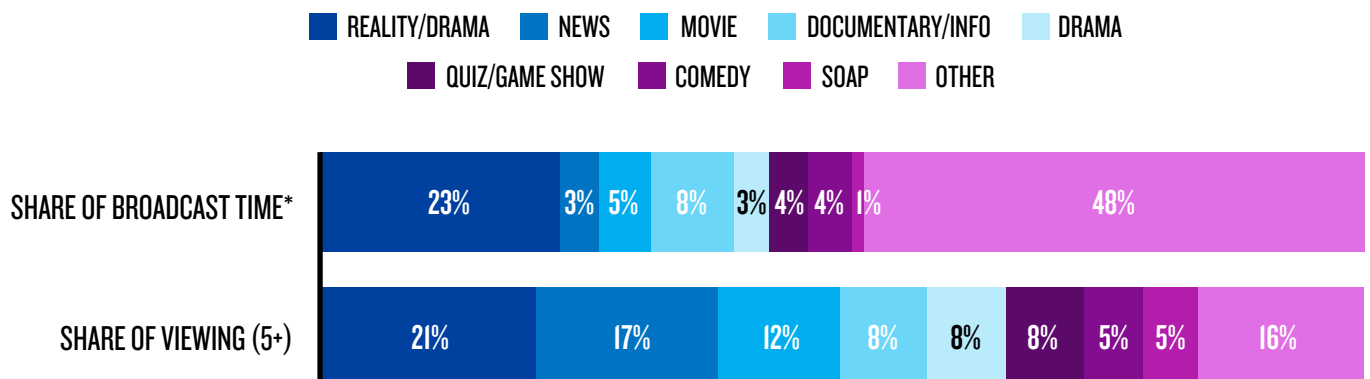


Nielsen Television Audience Measurement, Q1 2017, All People 5+

GENRE FAVOURITES

In the first quarter of 2017, reality/drama viewing represented 21% of the total share of viewing on free-to-air channels⁹, followed by news at 17% and movies at 12%. These three genres have a higher weight when it comes to share of viewing than share of broadcast: they account for 50% of total free-to-air viewing and only 32% of broadcast time¹⁰.

SHARE OF FREE-TO-AIR BROADCAST AND 5+ VIEWING TIME



Nielsen Television Audience Measurement, Q1 2017, All People 5+

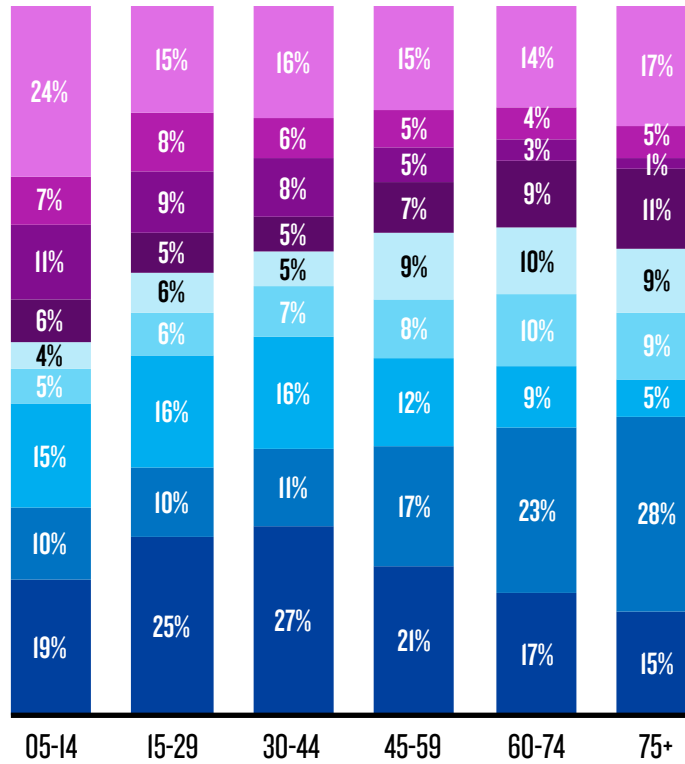
*Share of Broadcast Time refers to 6:00am – 12:00am and excludes Plus 1 channels

⁹Free-To-Air channels include: TVNZ 1*, TVNZ 2*, Three*, PRIME*, Bravo*, Maori TV, Choice TV, HGTV, TVNZ Duke, The Edge TV

¹⁰Television Audience Measurement (TAM), 1st Jan – 31st Mar 2017, All People 5+

Share of free-to-air TV genre viewing tends to fluctuate significantly with age: younger people allocate a higher proportion of viewing for movies and comedy, while older people skew more toward news, drama, documentaries and quiz/game shows. Reality/drama programmes tend to have strong appeal¹¹ across all age groups.

SHARE OF FREE-TO-AIR VIEWING BY AGE



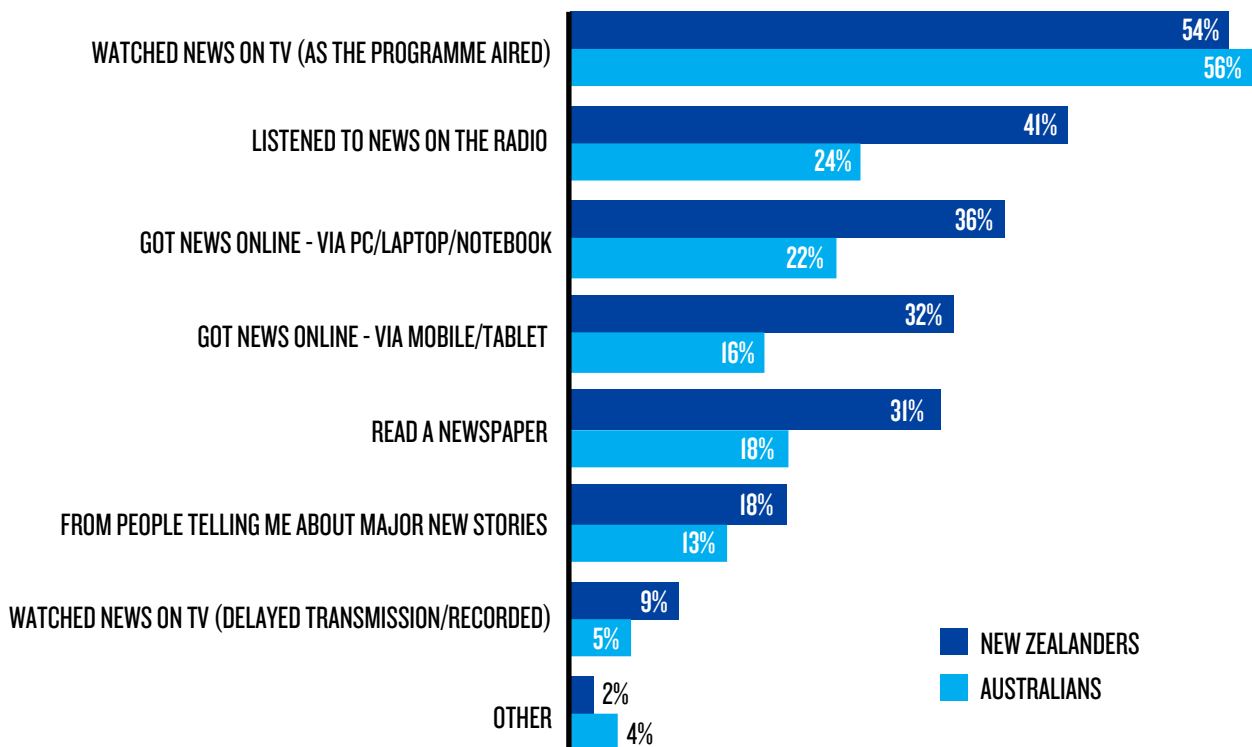
Nielsen Television Audience Measurement, Q1 2017

¹¹Television Audience Measurement (TAM), 1st Jan – 31st Mar 2017, All People 5+

HOW KIWIS CATCH UP WITH THE NEWS

New Zealanders are more engaged with news content on free-to-air TV channels than online from both a reach and a time spent perspective. In Q1 2017, more than 3.2 million people watched news programmes on TV each month¹². This is around 700,000 more than those that visited New Zealand news brands online in the same period¹³. Each month, those that watch free-to-air TV news spend 10 hours and 29 minutes keeping up with current events via the TV set¹⁴; while the average time spent on New Zealand news websites is 3 hours and 46 minutes per month¹⁵.

WHERE PEOPLE GOT NEWS YESTERDAY



New Zealand: Nielsen Consumer and Media Insights, Q1 – Q4 2016, All People 14+
Australia: Nielsen Consumer and Media View, National Survey 6 2016; All People 14+

¹²Television Audience Measurement (TAM), 1st Jan – 31st Mar 2017, All People 5+

¹³Nielsen Online Ratings, Q1 2017, All People 2+; New Zealand news websites include: nzherald.co.nz, stuff.co.nz, newshub.co.nz or TVNZ – Total Digital News

¹⁴Television Audience Measurement (TAM), 1st Jan – 31st Mar 2017, All People 5+

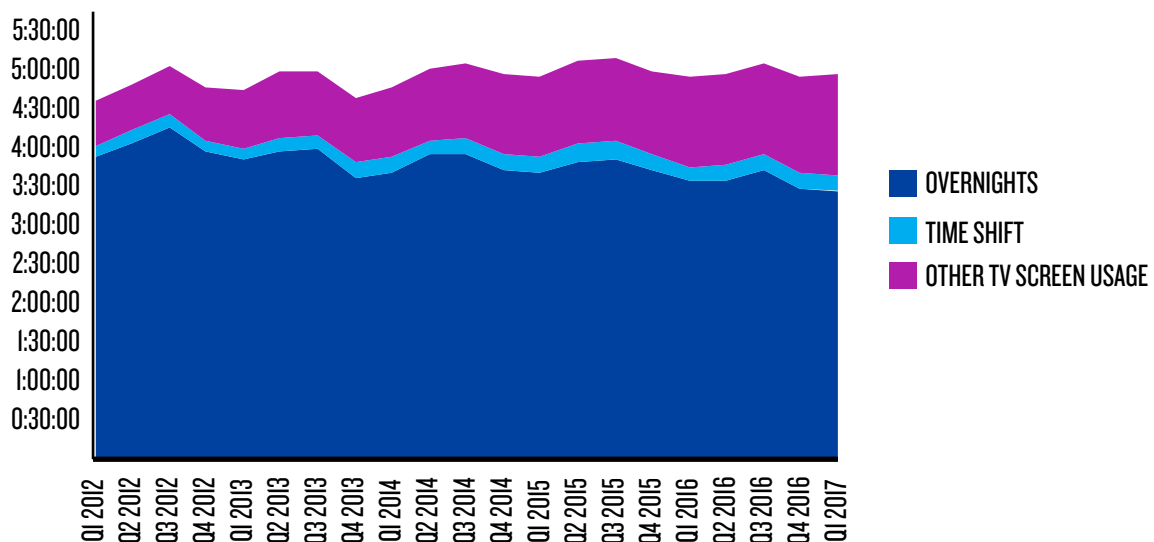
¹⁵Nielsen Online Ratings, Q1 2017, All People 2+

More than half of all New Zealanders use live TV as their primary news source¹⁶. And this trend is similar in Australia¹⁷. Kiwis claim to use more news sources than Australians, with more deferring to radio, newspapers and online.

TV SCREENS HAVE MULTIPLE USES

The television set is still the focus of digital video consumption in the average home. More than six-in-10 watch content on their TV sets each day. These viewers are spending close to five hours daily in front of their TV, a number that has been relatively stable since Quarter 1 2014. Broadcast TV (live, as live and time-shift viewing) continues to represent the biggest proportion (73%) of this time, but other TV set usage has increased and now sits at 1 hour and 18 minutes per day in Quarter 1 2017¹⁸.

AVERAGE DAILY TIME SPENT USING THE TV SET



Nielsen Television Audience Measurement, All People 5+ that watch TV in an average day

¹⁶Nielsen Consumer and Media Insights, Q1 – Q4 2016, All People 14+

¹⁷Nielsen Consumer and Media View, National Survey 6 2016; All People 14+

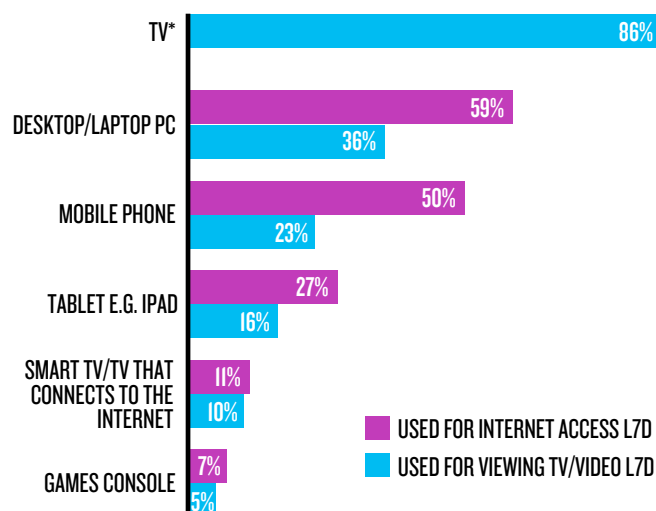
¹⁸Television Audience Measurement (TAM), 15th Jan 2012 – 31st Mar 2017, All People 5+

THE TV IS THE DOMINANT DEVICE FOR VIDEO

DEVICES USED TO WATCH TV/VIDEO IN THE LAST SEVEN DAYS

86% of people use their TV set in an average week for consuming video content¹⁹. The TV set continues to be by far the most used screen. This is followed by desktop/laptop PCs (59%), mobiles phones (50%) and tablets (27%). These devices are also the most widely used for watching video content²⁰, however they have yet to reach the TV set usage levels: for every person that watches video through their mobile phone there are 3.7 people that use the TV set for the same activity. Likewise, for every person watching video content through a tablet, 5.4 are using their TV set.

DEVICE USAGE IN THE LAST 7 DAYS



Nielsen CMI Q1 – Q4 2016, All People 10+

*Television Audience Measurement (TAM), Average Weekly Cumulative Reach 3rd Jan – 31st Dec 2016, All People 10+

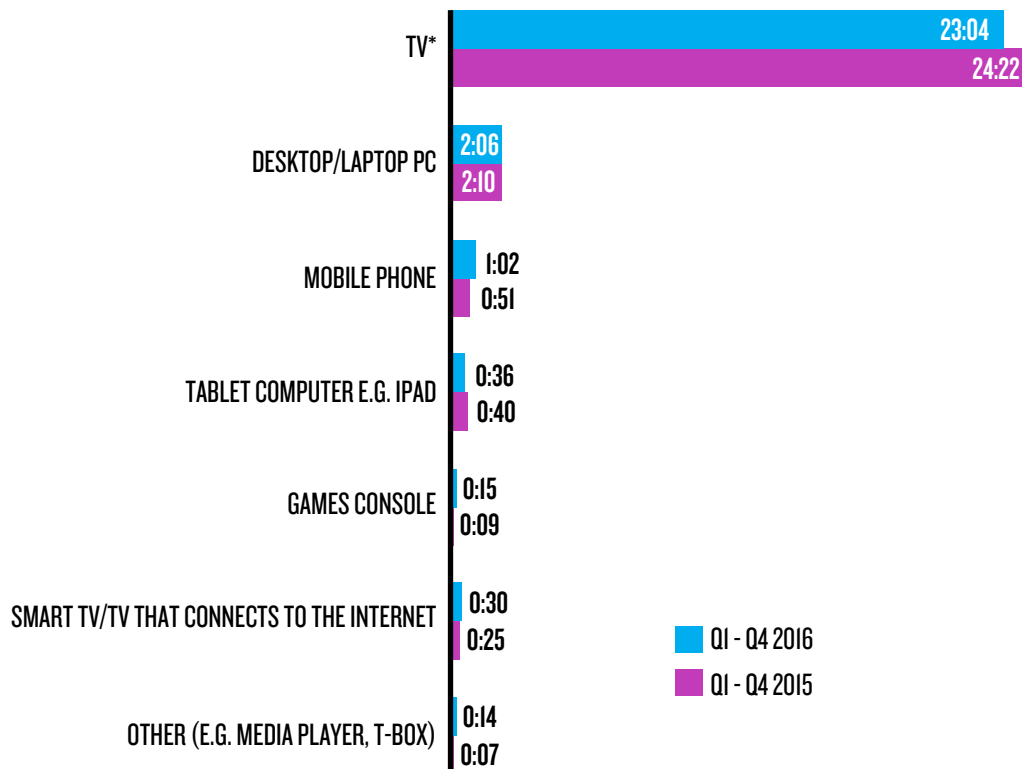
¹⁹Television Audience Measurement (TAM), 1st Jan – 31st Dec 2016, All People 10+

²⁰Nielsen Consumer and Media Insights, Q1 – Q4 2016, All People 10+

The average person spends just over 23 hours in front of a TV set a week²¹ (includes broadcast and other video usage on the set), which continues to be significantly more than any device used to watch video content. For every minute spent watching video on desktops or laptops, 11 minutes are spent in front of the TV set.

Compared to the same period in 2015, people spend less time watching video on desktops/laptops and tablets, moving instead to mobile phones, games consoles and smart TVs²². This reiterates that both mobility and size of screen are shifting video engagement to devices that can meet these requirements.

WEEKLY TIME SPENT WATCHING VIDEO CONTENT BY DEVICE



Nielsen CMI Q1 - Q4 2015 / Q1 - Q4 2016, All people 10+

*Television Audience Measurement (TAM), Average Weekly Cumulative Reach Jan 4th 2015 - Dec 31st 2016, All People 10+

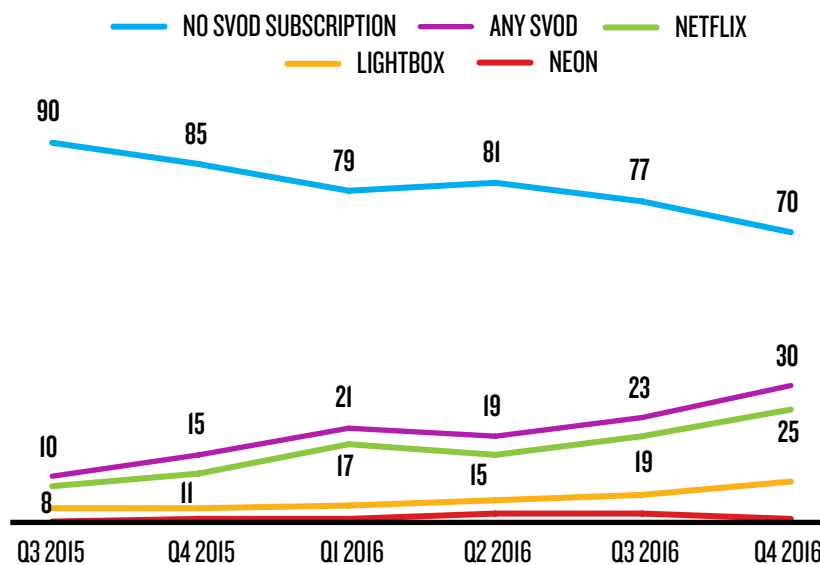
²¹Television Audience Measurement (TAM), Average Weekly Time Spent, Jan 3rd - Dec 31st 2016, All People 10+

²²Nielsen Consumer and Media Insights, Q1 - Q4 2015 & Q1 - Q4 2016, All People 10+

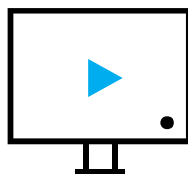
SO WHAT ABOUT NETFLIX?

Around 70% of New Zealanders still do not have access to an SVOD service. However, this has been declining steadily since late 2015²³. It should be noted that during this period, Netflix USA blocked access for New Zealanders and also applied a GST tax to its subscription packages.

PENETRATION OF SUBSCRIPTION ON-DEMAND SERVICES



Source: Nielsen CMI, All People 10+ with a TV set at home



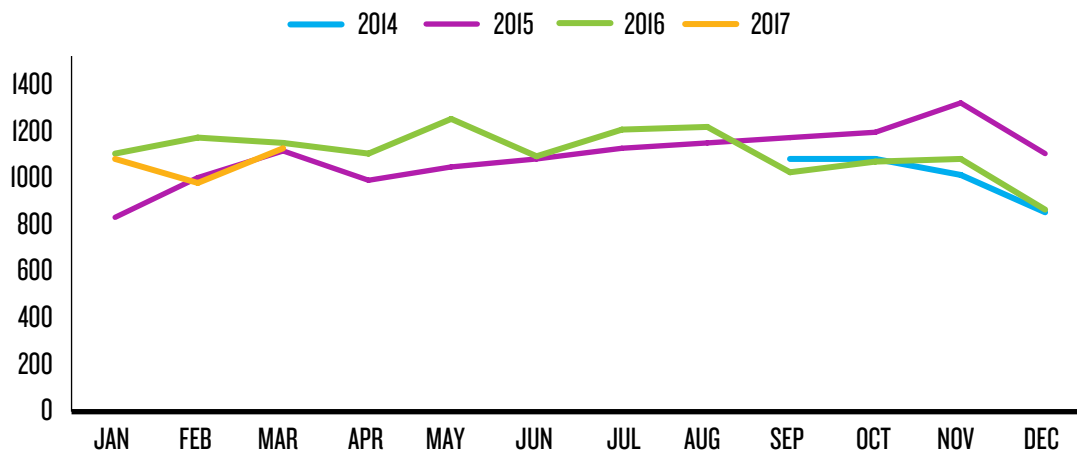
70% OF NEW ZEALANDERS DO NOT HAVE ACCESS TO SVOD SERVICES. THIS HAS BEEN DECLINING DUE TO INCREASING UPTAKE OF NETFLIX

²³Nielsen Consumer and Media Insights, Q3 2015 – Q4 2016, All People 10+

TELEVISION ONLINE BRANDS ARE REACHING ONE-IN-FOUR KIWIS

On average since March 2015, around 1.1 million Kiwis are engaging with TV brands online.

MONTHLY UNDUPLICATED ONLINE REACH OF NEW ZEALAND TV BROADCAST BRANDS



Nielsen Online Ratings, All people 2+; excludes mobile apps

*Includes the following brands: Choice TV, Maori Television, Prime Television New Zealand, Sky Go, SKY On Demand, SKY TV NZ, TV 3, TV Four, TVNZ

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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 Nielsen 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. For more information, visit www.nielsen.com.

