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Perspective on US Digital Media

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IPG MEDIABRANDS

About MAGNA Intelligence

- **MAGNA Intelligence** is a division of MAGNA GLOBAL (IPG Mediabrands), focusing on market research and forecasting.
- **We analyze and forecast:** net advertising revenues, ad costs and inflation, market profiles, media consumption, technology trends (e.g. programmatic).
- **Scope:** all media categories, 73 countries.
- **We invented it:** we started adspend forecasting 65 years ago in the US (Bob Coen).
- We are trusted: primary source of **Wall Street**'s media analysts. Quoted by WSJ, Bloomberg, AdExchanger etc.

Ad Spend Forecasts

Media Economy Reports

Inflation Forecasts

Programmatic Report

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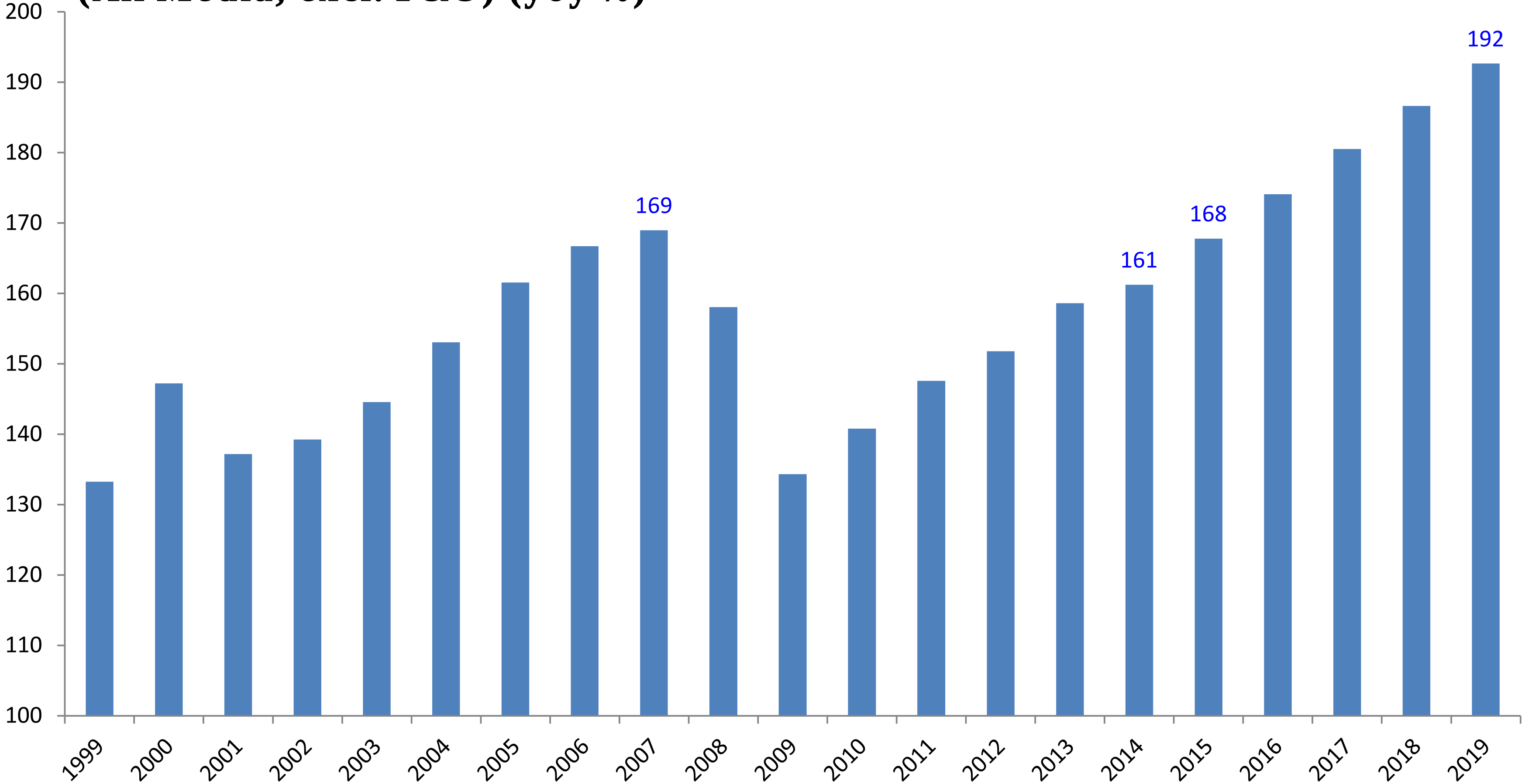
US Market Forecast

Long Term Trend: 2015 will Barely Catch up with Pre-Recession Highs

Long Term Ad Spend Forecasts
(All Media, excl. P&O) (yoy %)



Source: MAGNA GLOBAL US Advertising Forecast, Feb. 2015

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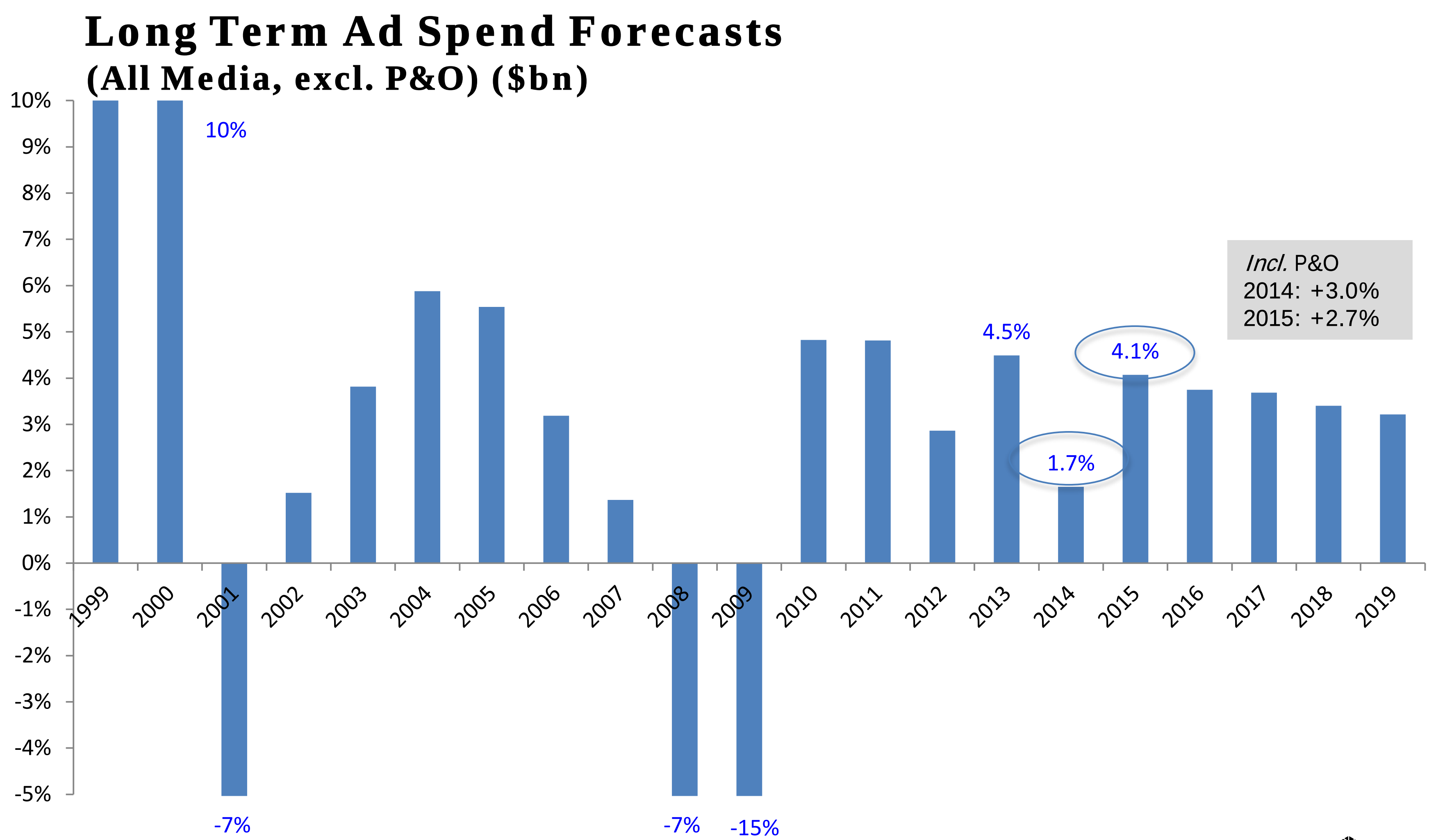
US Market Forecast

Long Term Trend: Total Spend will Re-Accelerate in 2015-2016



Source: MAGNA GLOBAL US Advertising Forecast, Feb. 2015

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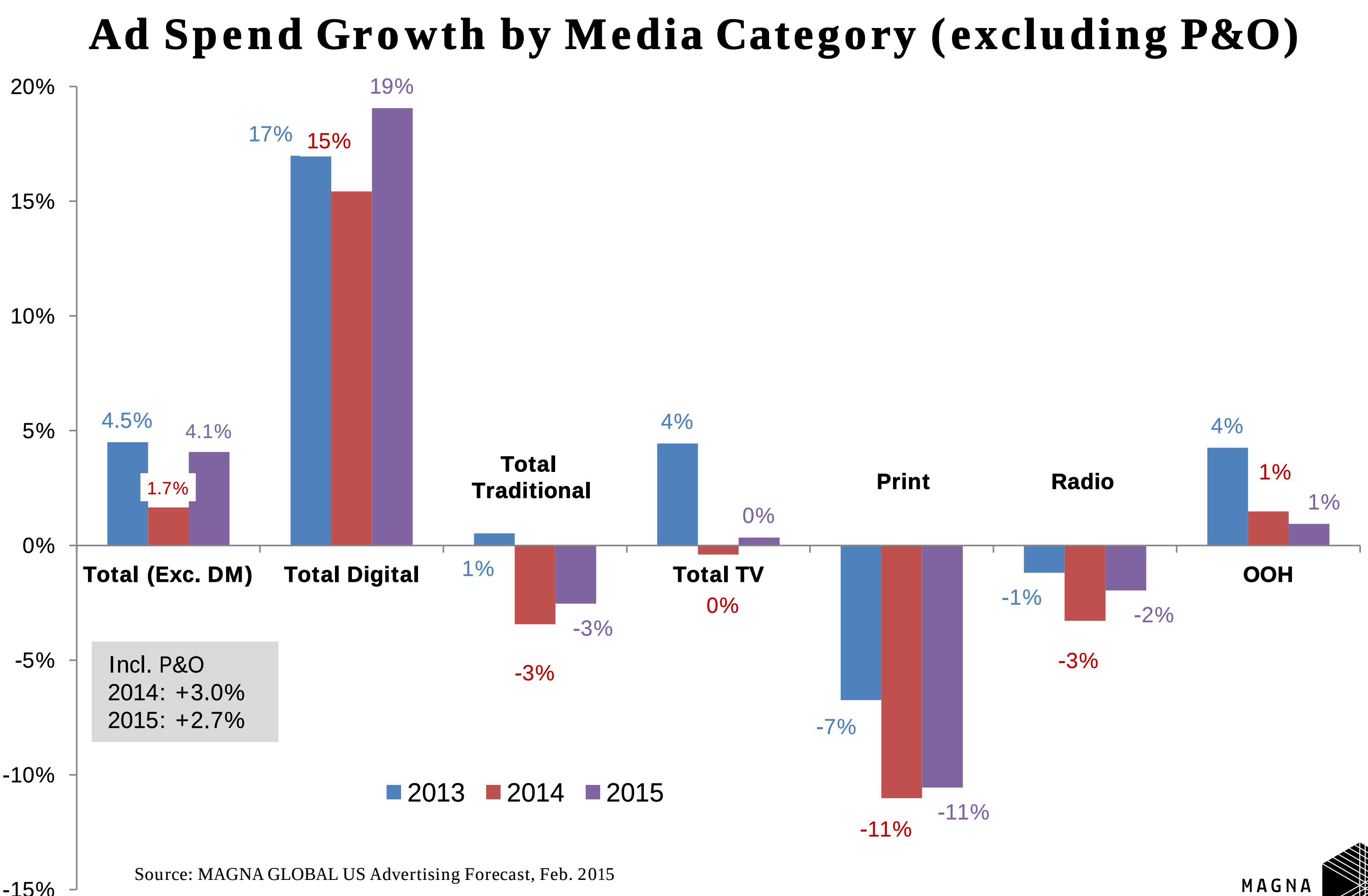
US Market Forecast

Digital Media Now Concentrate all the Growth



Source: MAGNA GLOBAL US Advertising Forecast, Feb. 2015

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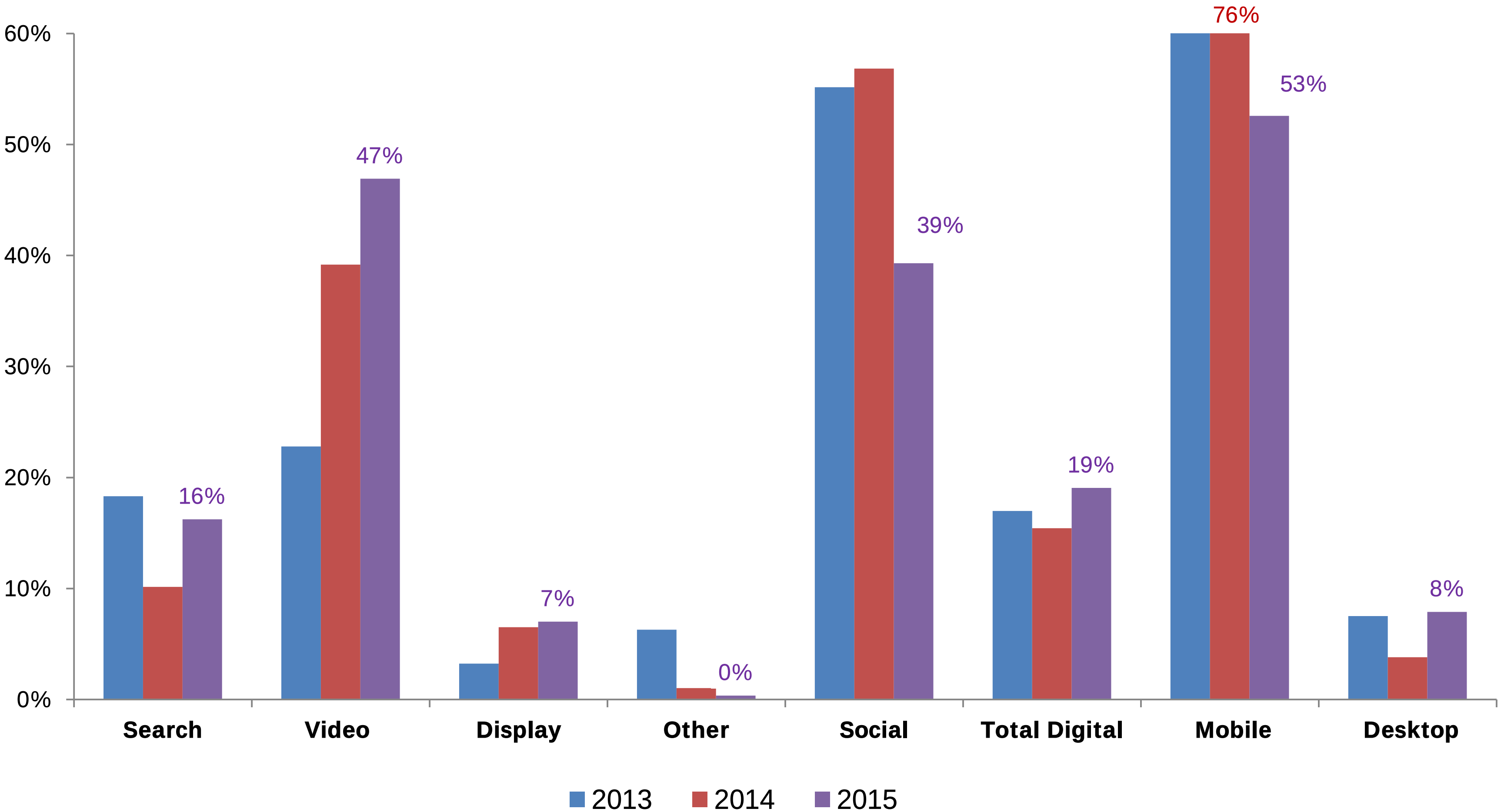
US Market Forecast

Mobile, Social, Video will Continue to Drive US Digital Spend

US Digital Ad Spend: Growth by Format/Platform



"Display" here includes banners, rich media. Excludes video and social formats.

Source: MAGNA GLOBAL US Advertising Forecast, Feb. 2015

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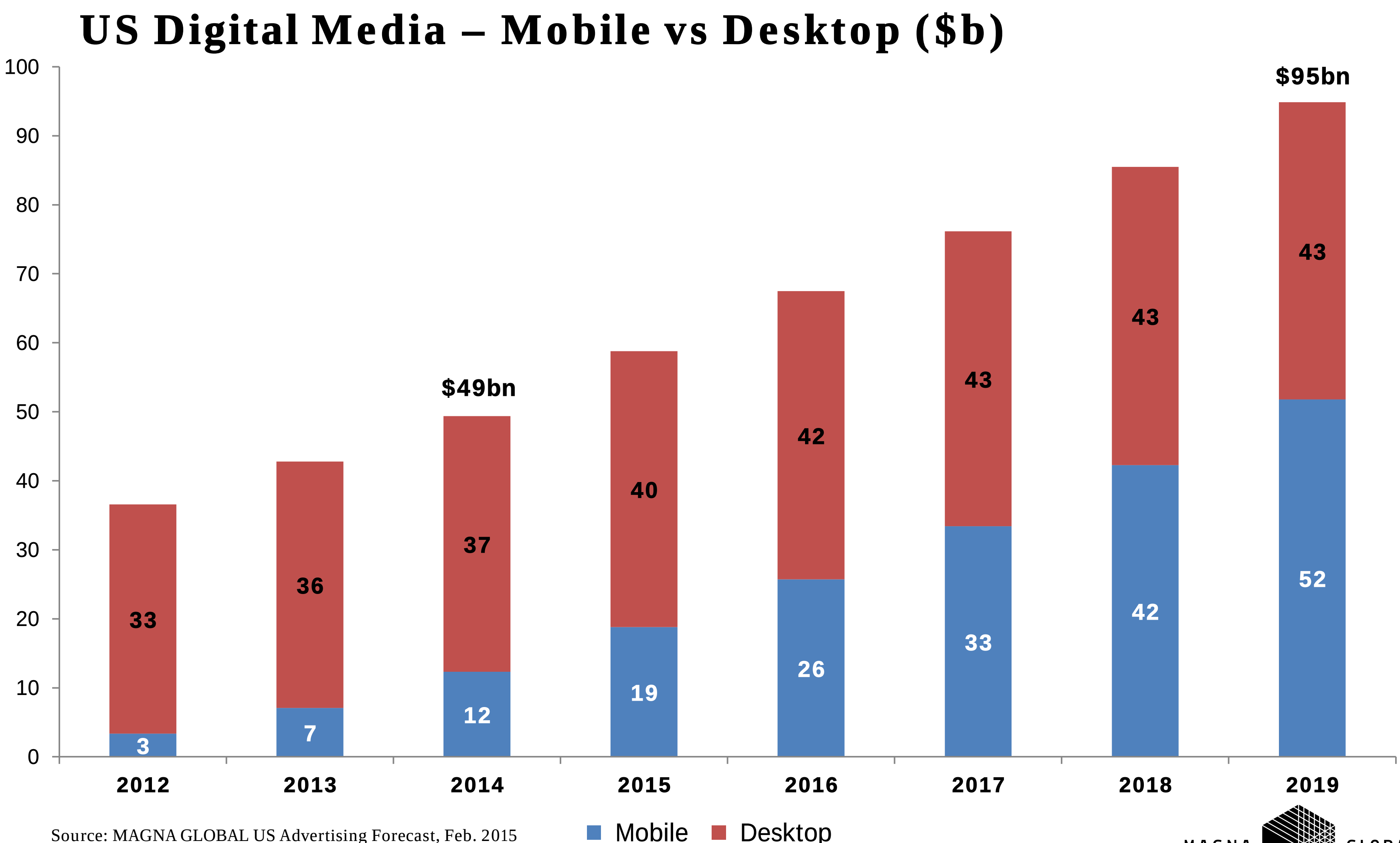
US Market Forecast

Mobile Digital Ad Revenues will Catch-up with Desktop by 2018



Source: MAGNA GLOBAL US Advertising Forecast, Feb. 2015

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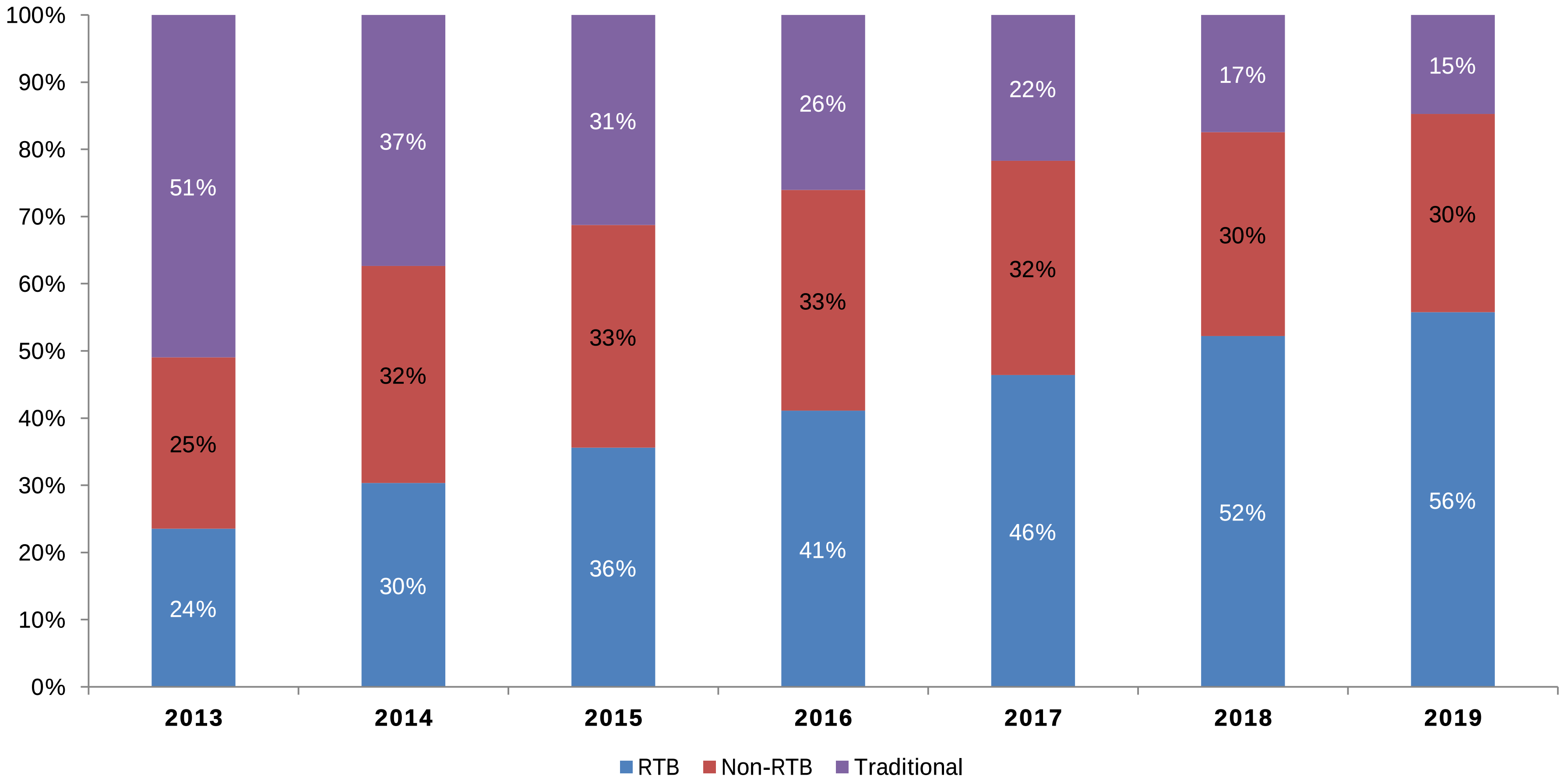
US Market Forecast

85% of Display-Related Inventory will be Traded Programmatically by 2019

US Programmatic Forecasts



Source: MAGNA GLOBAL Programmatic Report, October 2014.

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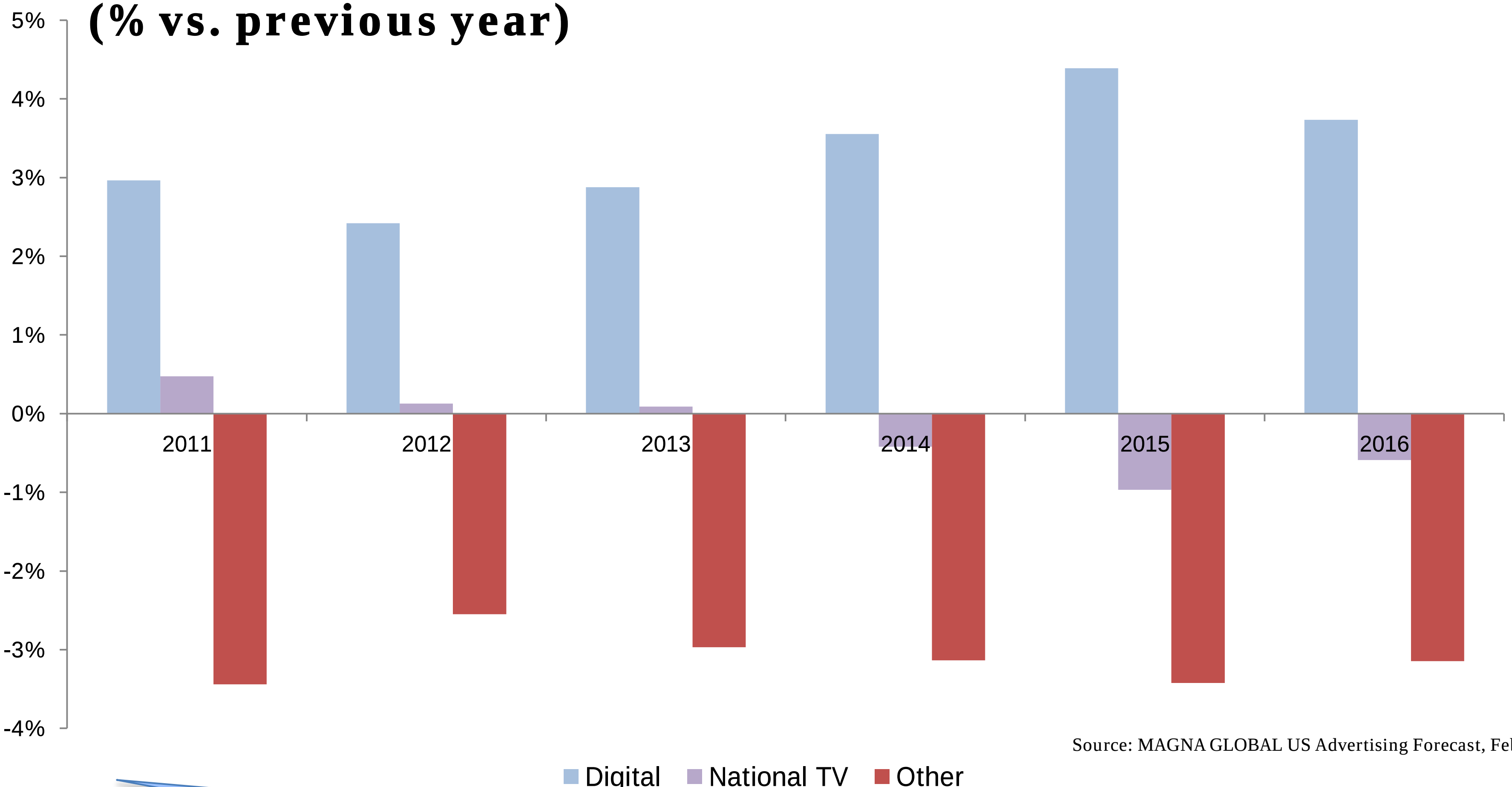
US Market Forecast

Acceleration in the Shift to Digital: 2014 a Tipping Point?

Market Share Gains/Losses by Media Category (% vs. previous year)



Source: MAGNA GLOBAL US Advertising Forecast, Feb. 2015

Reading: in 2011, print, radio and OOH media combined lost 3.5% in market share compared to the previous year, while digital media captured an extra 3% and television captured 0.5%.

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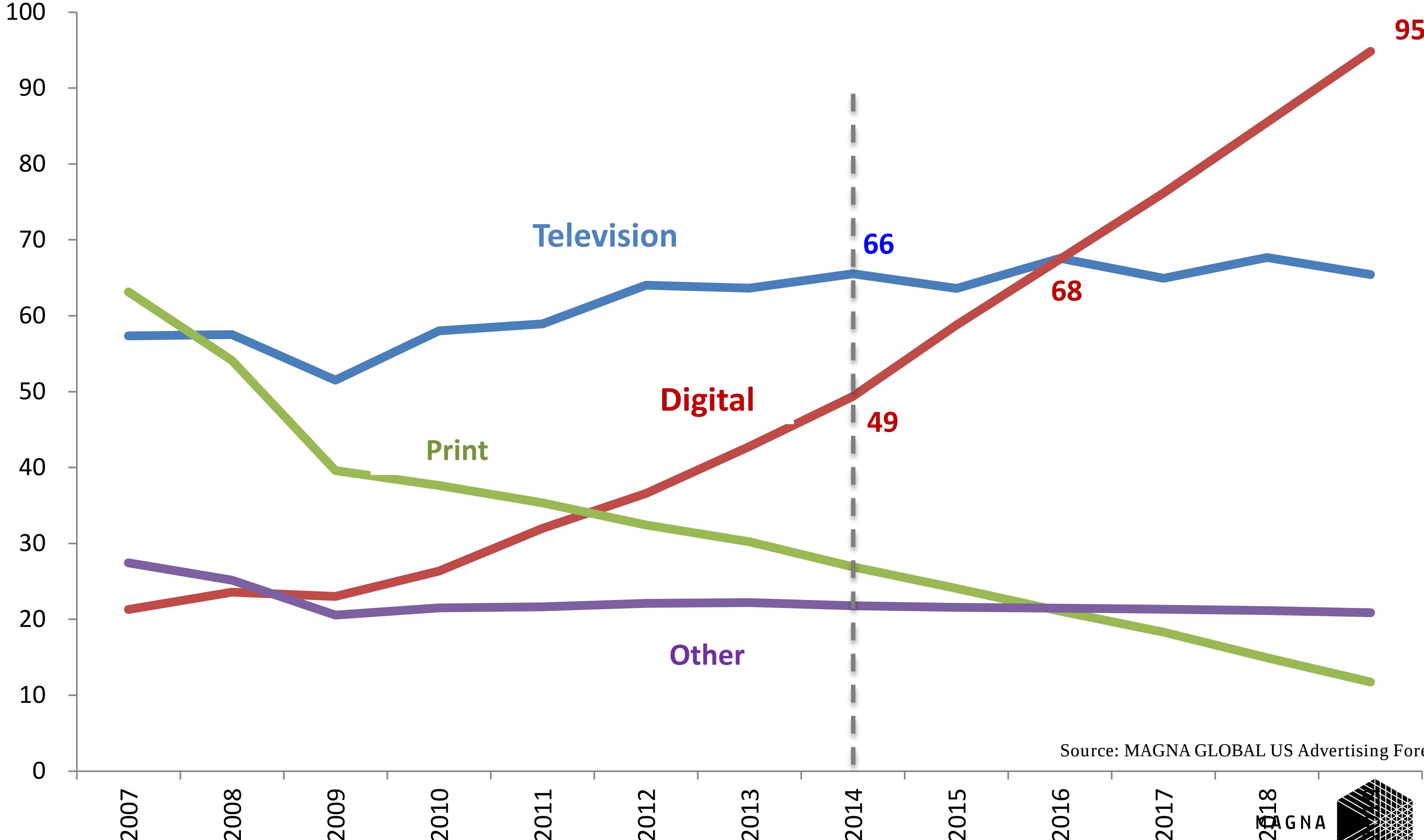
US Market Forecast

Digital Media to Become #1 Media Category in 2016

Advertising Revenue by Media Category: LT Forecast ($bn)



Source: MAGNA GLOBAL US Advertising Forecast, Feb. 2015

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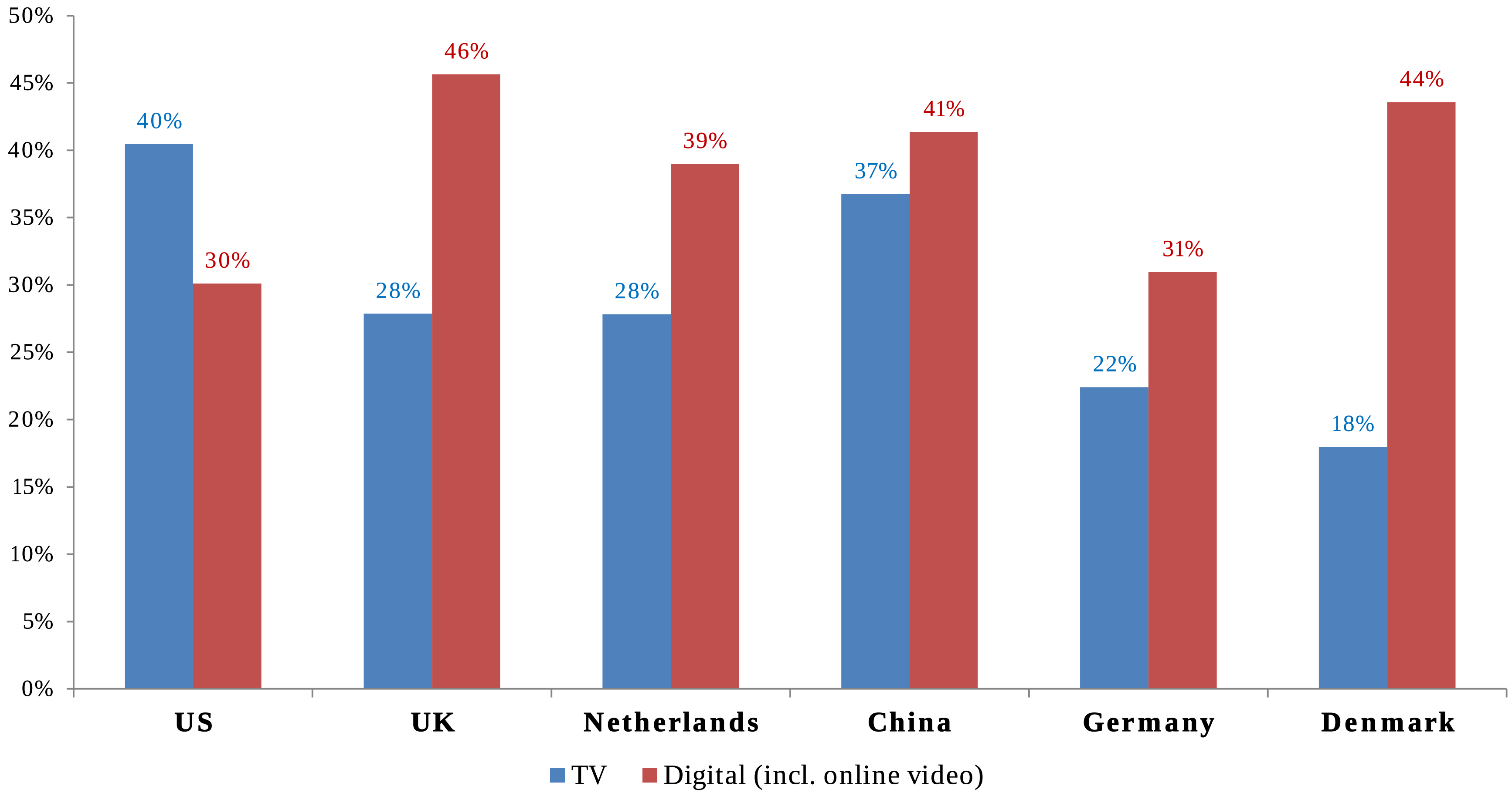
Global Forecast

Digital Media is *Already* Bigger than TV in 14 Other Markets

Share of Total Advertising Revenues in Selected Markets (2014)



Source: MAGNA GLOBAL Global Advertising Forecast, Feb. 2015

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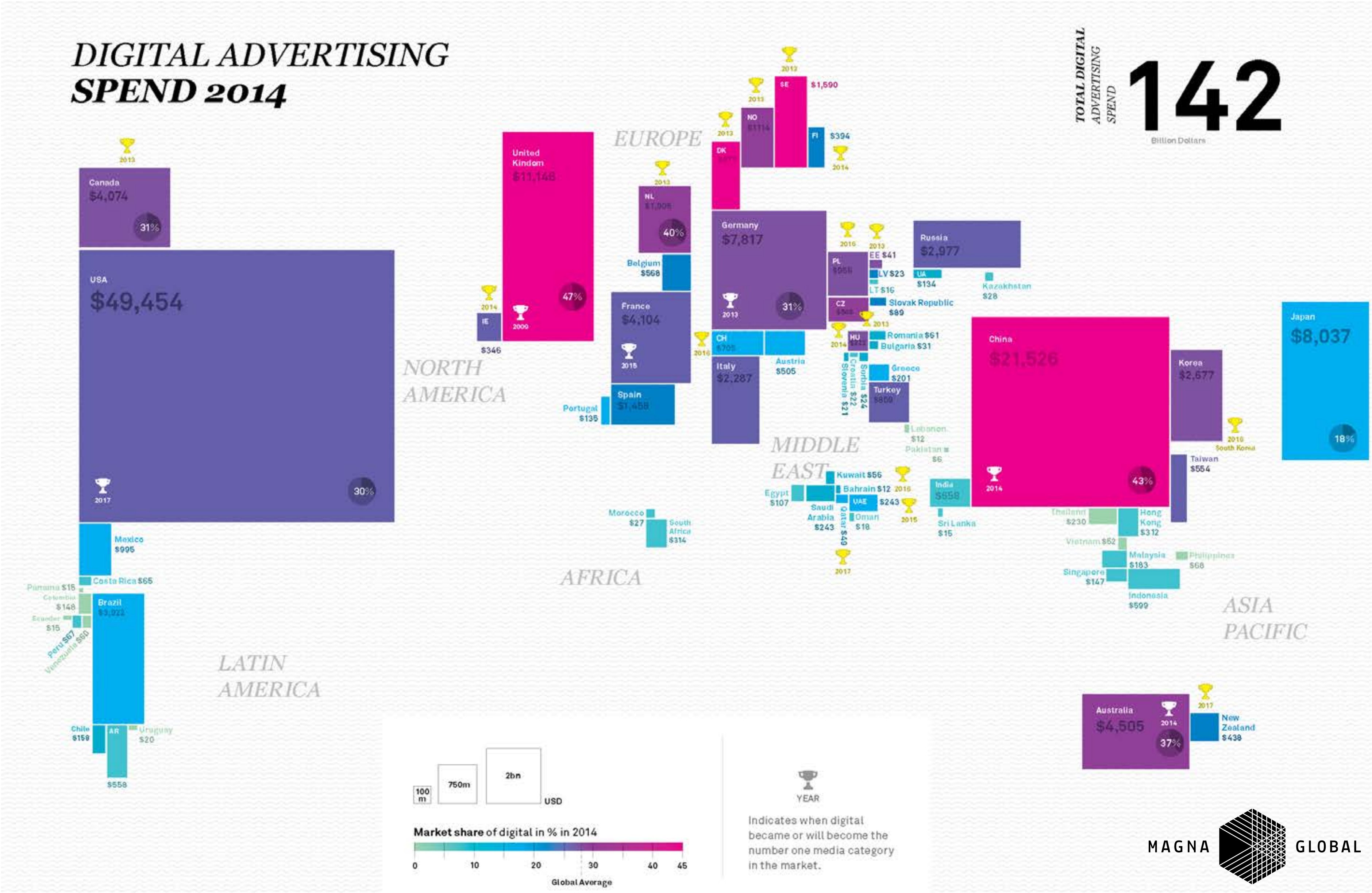
Global Forecast

Digital Media is *Already* Bigger than TV in 14 Other Markets



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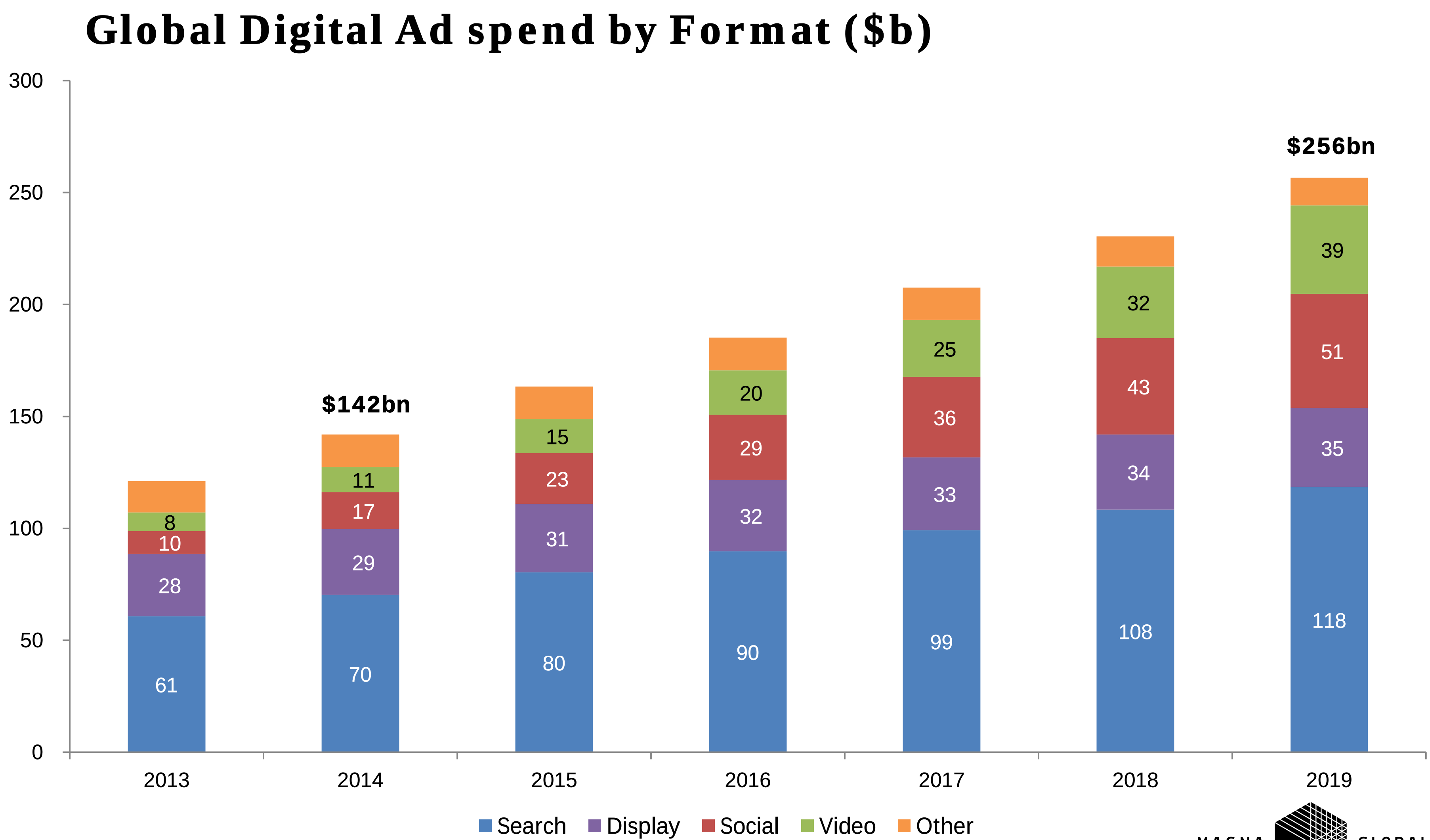
Global Forecast

Search will Remain the #1 Format but Video & Social will Grow Faster



Source: MAGNA GLOBAL Global Advertising Forecast, Dec. 2014

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