
2011 Full Year IAB PwC

Digital Advertising Revenue Report

April 2012

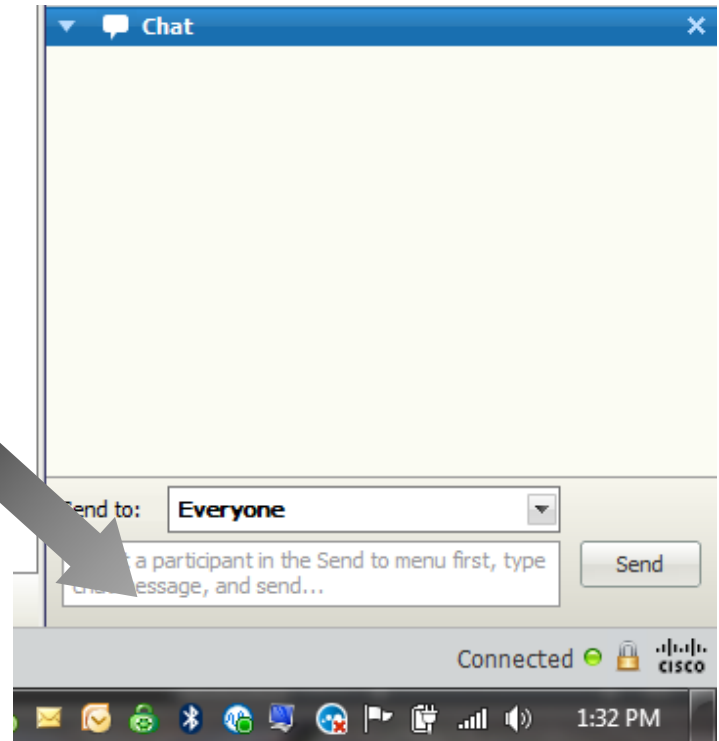
2011 IAB/PwC Digital Ad Revenue Report

Agenda

- **Welcome**
- **2011 Full Year and Q4 Digital Ad Revenue Highlights**
Sherrill Mane, SVP Research, Analytics & Measurement, IAB
- **Detailed Analysis of IAB PWC 2011 Full Year and Q4 Report**
David Silverman, Partner, PriceWaterhouseCoopers
- **Marketing ROI in the Era of Big Data**
Don Sexton, Professor and Faculty Director, Center for International Business Education and Research, Columbia University
- **Q & A**

Important Note on Q&A

- We will open a voice line for journalists to ask questions at the end of the presentations.
- IAB members should ask questions using the WebEx user interface—Please type questions into the Chat box on the WebEx user interface at any time during the presentations.
 - We will create a queue and answer as many questions as possible following the presentations.
 - Additional press questions should be directed to Laura Goldberg: Laura.Goldberg@iab.net
 - Additional questions from IAB members should be directed to Kristina Sruoginis: Kristina@iab.net.



2011 Full Year IAB PwC Report

Highlights: Digital Advertising Revenue Report

April 2012

Sherrill Mane

SVP, Research, Analytics and Measurement, IAB

2011 Year End Digital Ad Revenue Highlights



"The great thing in the world is not so much where we stand, as in what direction we are moving."

– Oliver Wendell Homes

Year End 2011 Interactive Advertising Sets More Records and Beats the Overall Ad Market

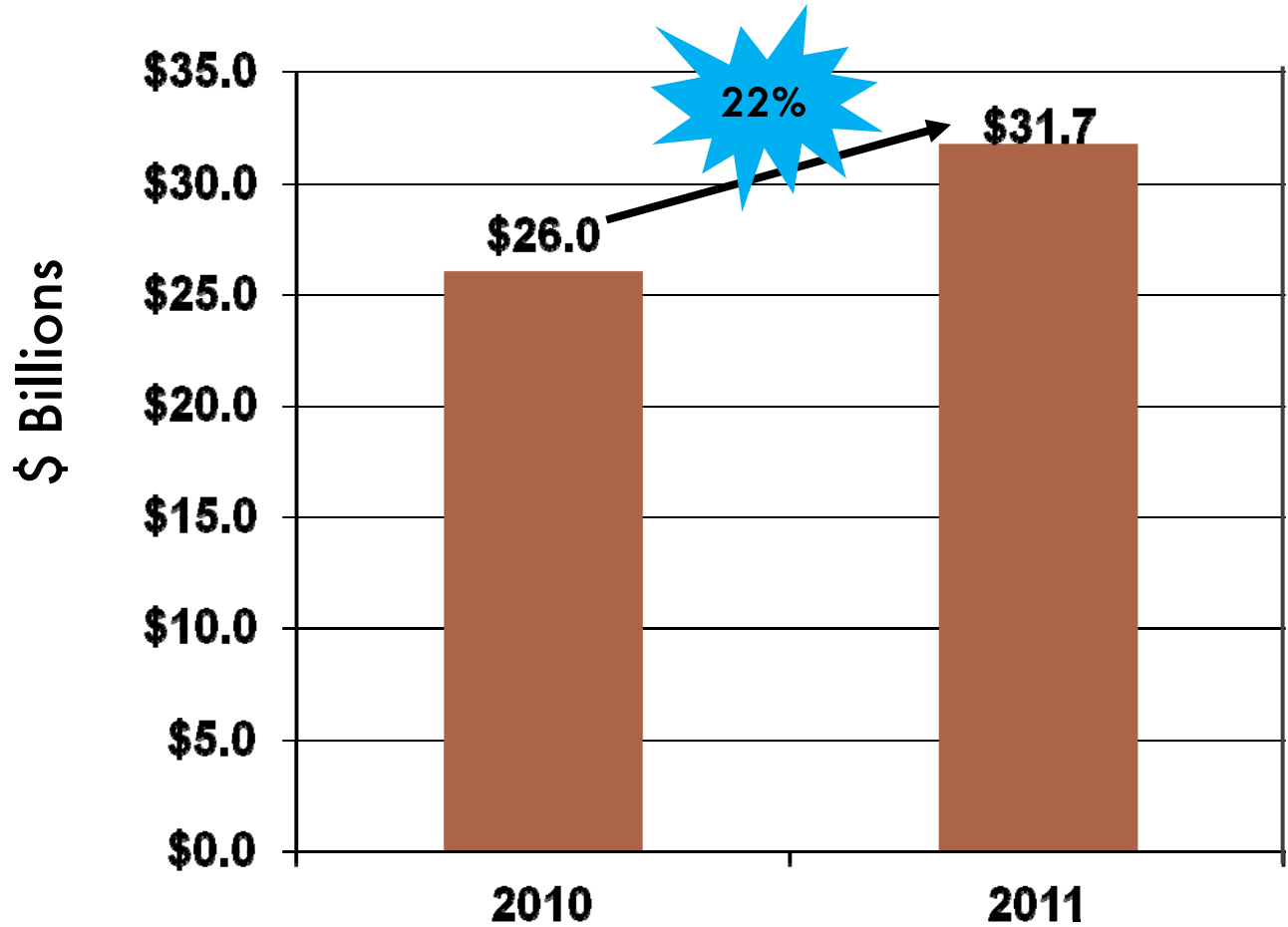
- **2011 annual US interactive ad revenues totaled \$31.7 billion, breaking the \$30 billion mark for the first time**
 - This represents a 22% (or \$5.7 billion) increase from 2010's \$26.0 billion.
 - The 22% also marks a return to growth rates comparable to pre-recession levels, the first year-to-year increase greater than 20% since 2007 (vs. 2006)
- **2011 annual mobile advertising revenue is \$1.6 billion, up nearly \$1 billion since last year and growing at a triple digit rate (149%)**
- **Fourth quarter 2011 revenue of \$9.0 billion represents the best quarterly result ever for US interactive advertising.**
 - This is a 20% increase over same time last year (\$ 7.5 billion in Q4 2010)

Year End 2011 Interactive Advertising Sets More Records and Beats The Ad Market

- Interactive advertising growth continues to outperform the total media market based on both Nielsen and Kantar estimates for Fourth Quarter and Full Year 2011**

2011 Annual Revenue Growth

Digital Ad Revenue Growth (2010 vs. 2011)

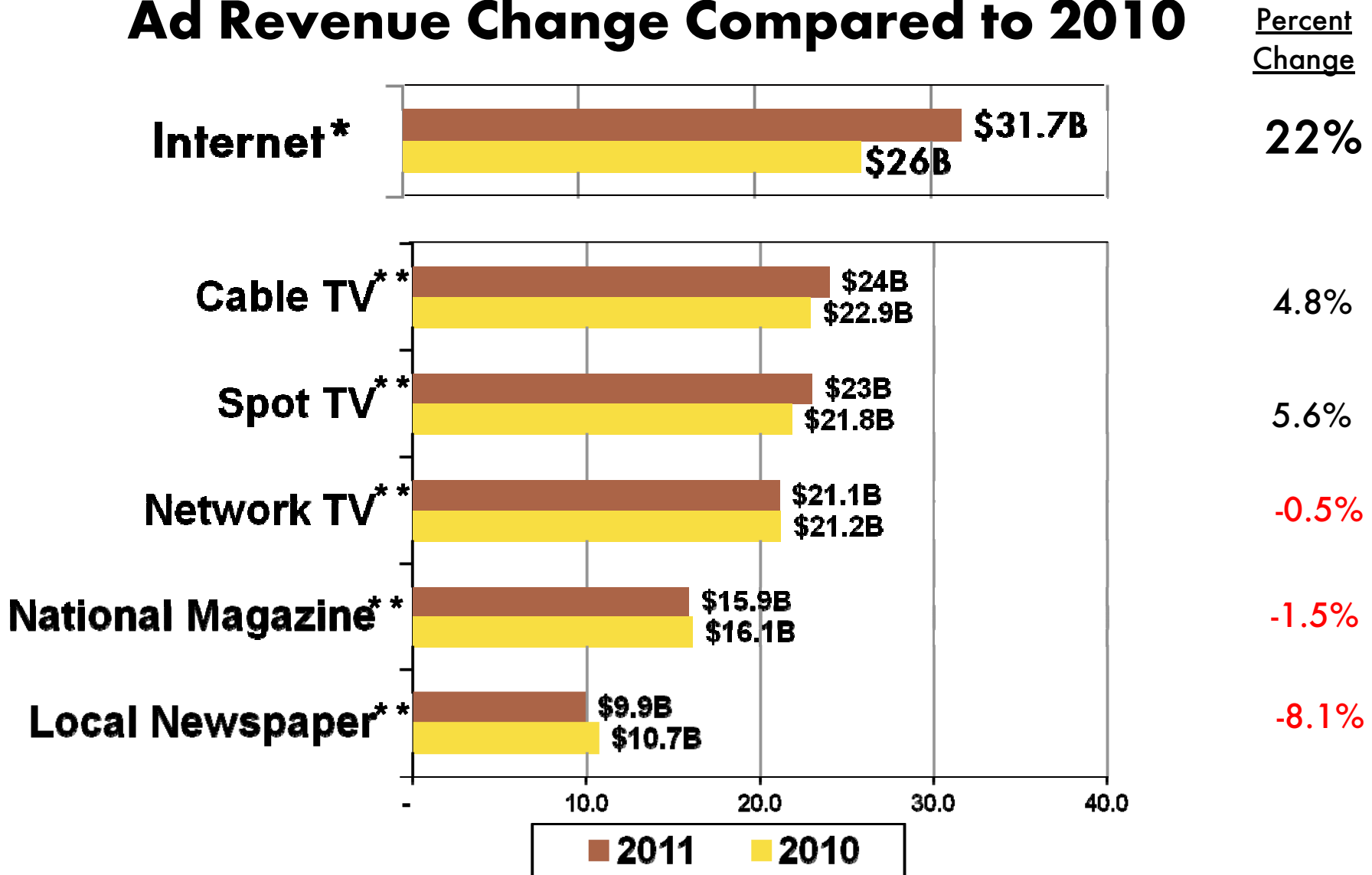


Total Media Ad Revenue Growth (2010 vs. 2011)

The Nielsen Company estimates total media revenues increased 2.4% from 2010 to 2011; Kantar Media estimates a 0.8% increase.

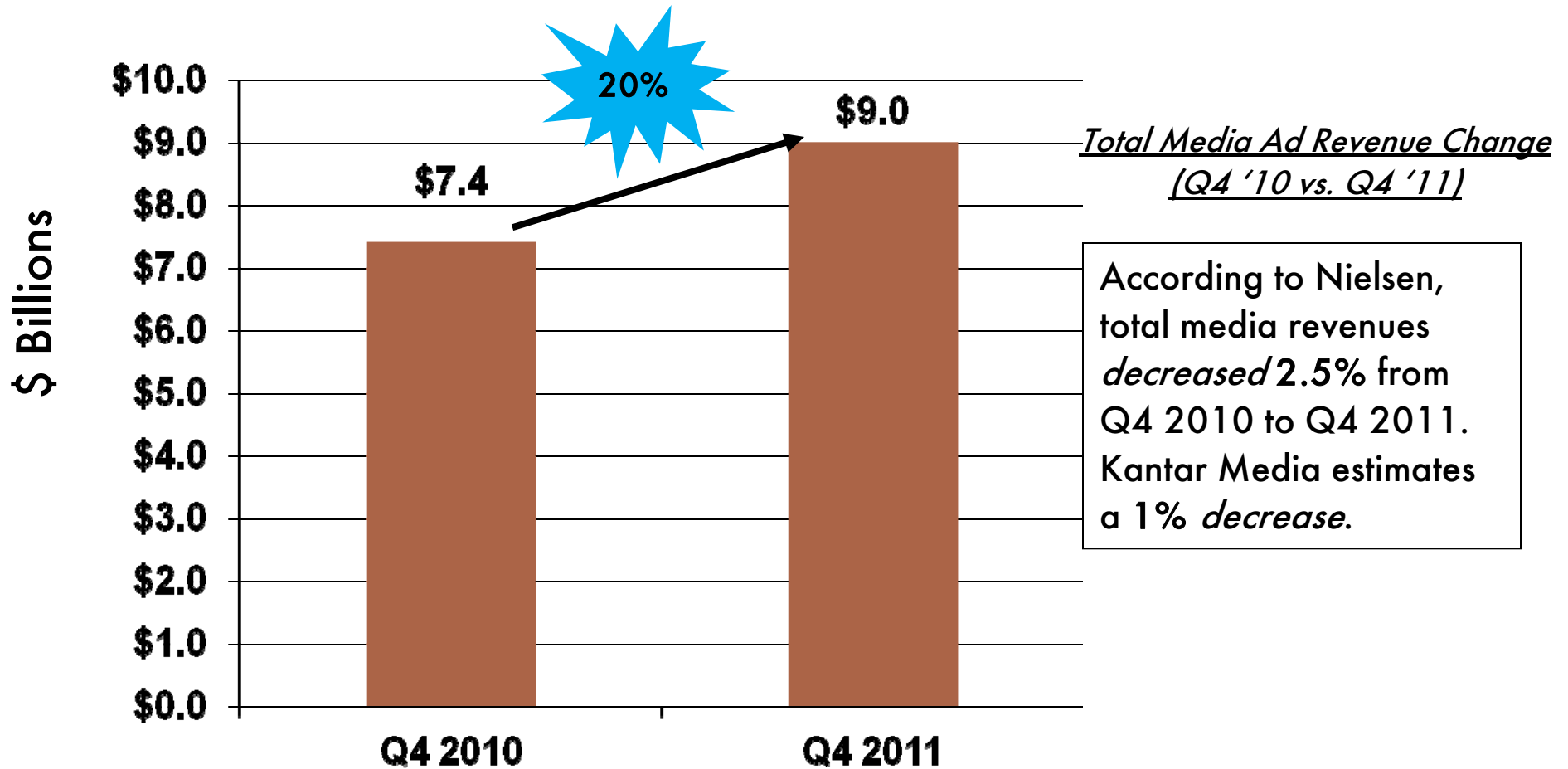
Sources: IAB Digital Advertising Revenue Report, 2011 Full Year and 4th Quarter Report; The Nielsen Company, MonitorPlus (Standard Calendar, Total includes B2B, National Internet (Display only), FSI Coupons), Apr. 2012; Kantar Press Release Apr. 2012 2012

2011 Digital vs. Top Five Non-Digital Media Ad Revenue Change Compared to 2010



Q4 2011 Revenue Compared With Q4 2010

Digital Ad Revenue Growth (Q4 '10 vs. Q4 '11)

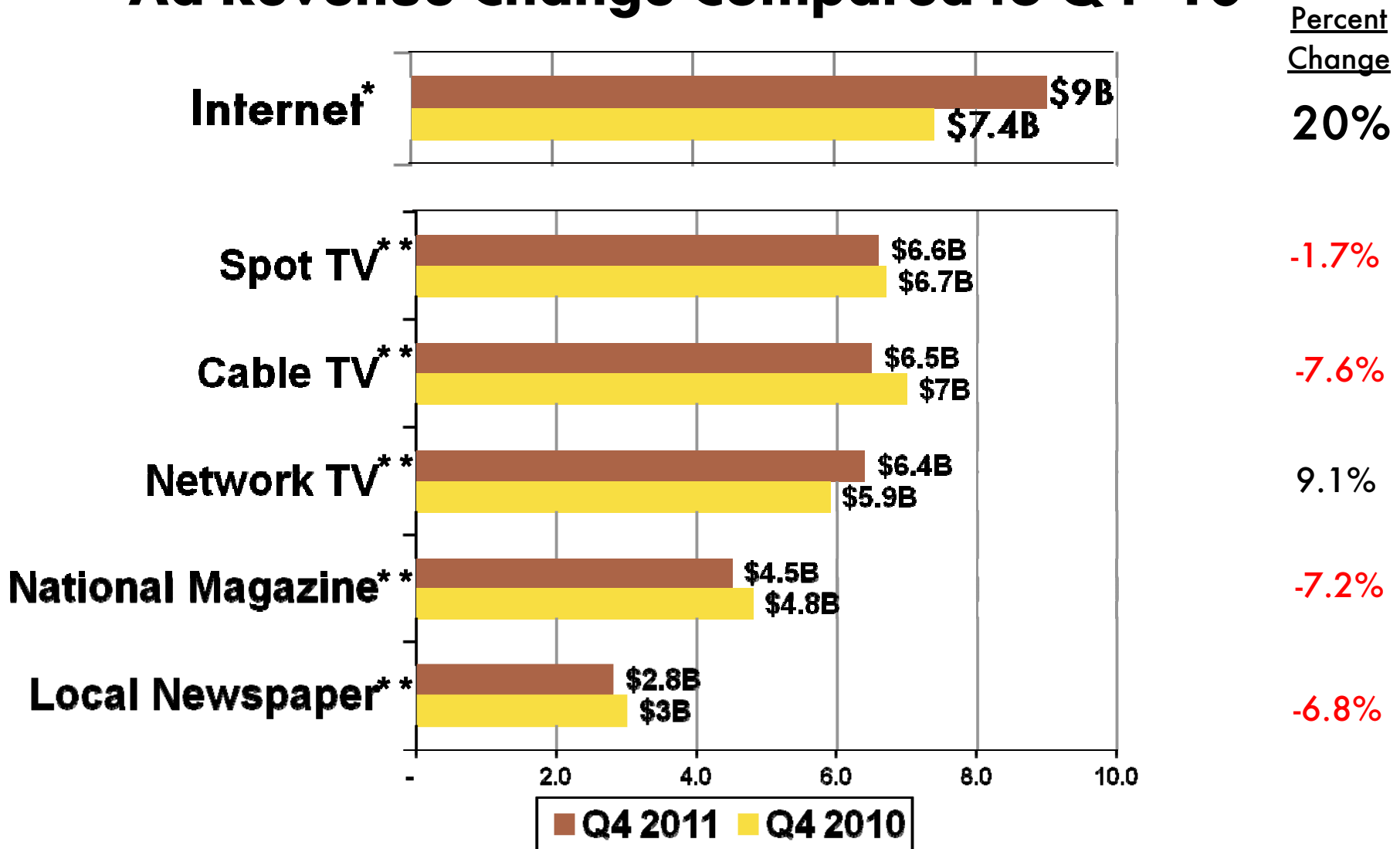


Sources: IAB Digital Advertising Revenue Report, 2011 Full Year and 4th Quarter Report;

p 9 The Nielsen Company, MonitorPlus (Standard Calendar, Total includes B2B, National Internet (Display only), FSI Coupons), Apr. 2012;
Kantar Press Release Apr. 2012



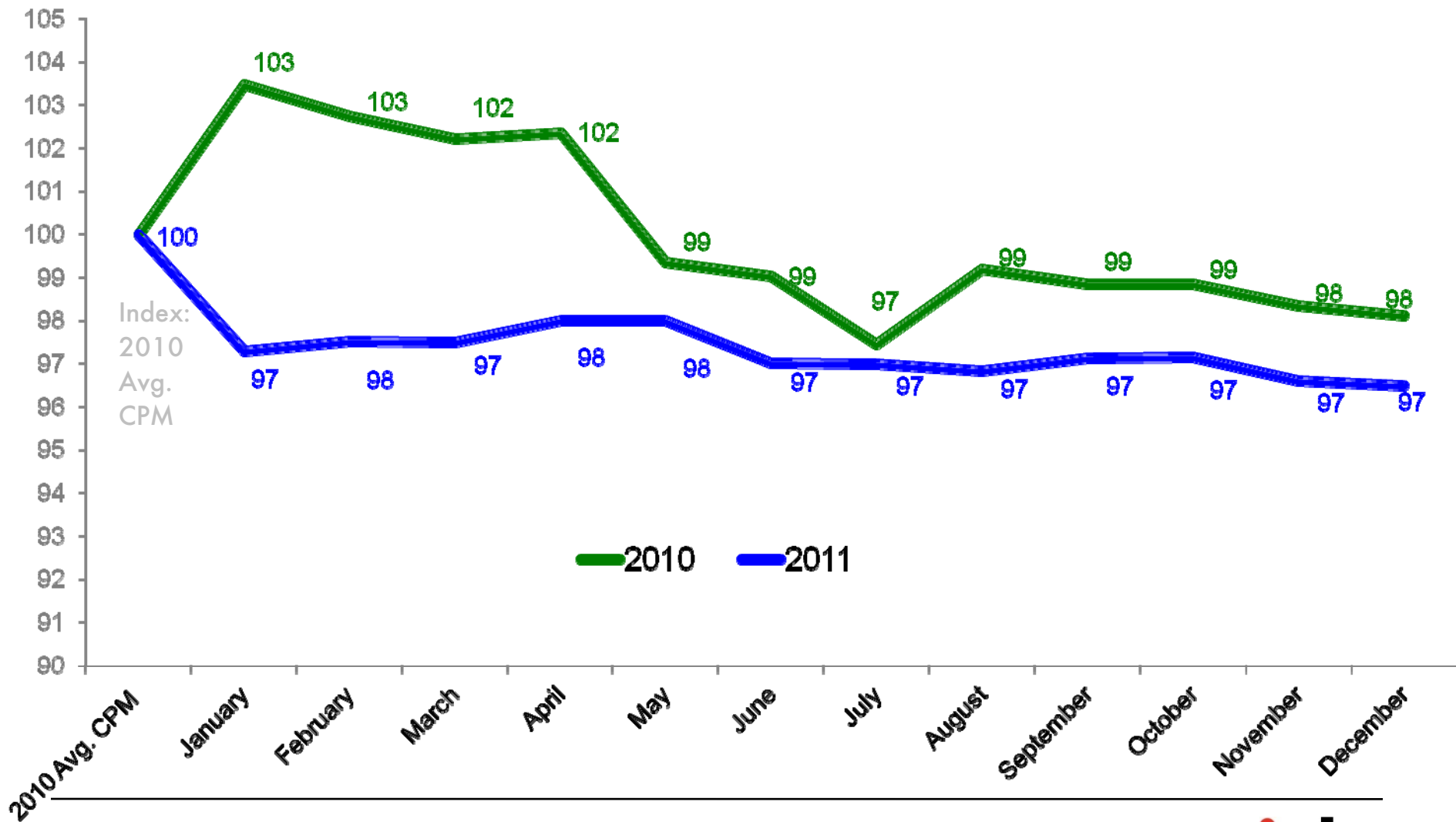
Q4 '11 Digital vs. Top Five Non-Digital Media Ad Revenue Change Compared to Q4 '10



WebCosts Composite Index

Same Site Average CPM

130 sites / Networks

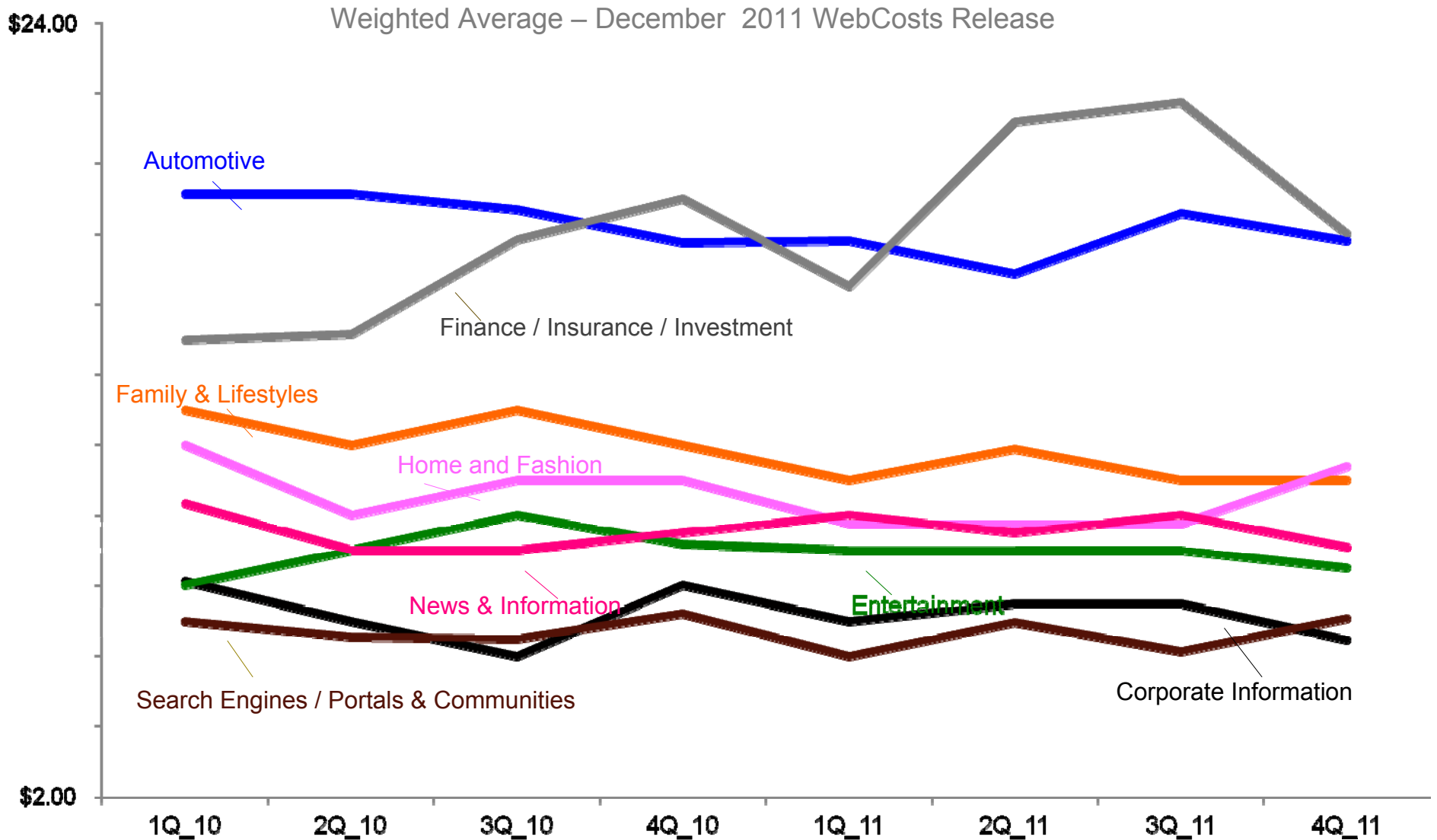


Source - SQAD WebCosts 2012

IAB 2011 Full Year and Q4 2011 Digital Advertising Revenue Report



Display Eight Category Average CPM



Source – SQAD WebCosts 2012
 IAB 2011 Full Year and Q4 2011 Digital Advertising Revenue Report



2011 Year End: Both Display and Search Exhibit Double Digit Growth

- **In 2011, Display* rose 15% over year ago to \$11.1 billion**
- **Display-related ad formats* revenue growth driven by:**
 - Sponsorships (the smallest piece of the display pie) up 56%
 - Banners up 14%
 - Digital video at a 29% year over year increase
- **Search grew 27% over 2010 annual to \$14.8 billion**
- **Growth in brand spend slowed in the second half of 2011:**
 - Advertiser vertical growth patterns
 - Revenue model increases
 - Display growth

THANK YOU

FOLLOW-UP QUESTIONS:

Additional questions from IAB members should be directed to Kristina Sruoginis:

kristina@iab.net

Additional press questions should be directed to Laura Goldberg:

Laura.Goldberg@iab.net

Reports can be found at: www.iab.net