

# IAB Internet Advertising Revenue Report

An Industry Survey Conducted by PricewaterhouseCoopers  
and Sponsored by the Interactive Advertising Bureau (IAB)

2009 Six Month Results



# Agenda

- Survey Methodology
- 2009 Six-Month Results
- Six-Month and Quarterly Trends
- Advertising Formats
- Industry Category Spending
- Pricing Models
- About PwC

Presented by David Silverman, Partner, PricewaterhouseCoopers LLP

# Survey Methodology

## Survey Scope

- The IAB Internet Advertising Revenue Report is part of an ongoing IAB mission to provide an accurate barometer of Internet advertising growth.
- To achieve differentiation from existing estimates and accomplish industry-wide acceptance, key aspects of the survey include:
  - Obtaining historical data directly from companies generating Internet/online advertising revenues;
  - Making the survey as inclusive as possible, encompassing all forms of Internet/online advertising, including Web sites, consumer online services, ad networks and e-mail providers; and
  - Ensuring and maintaining a confidential process, only releasing aggregate data.

## Methodology

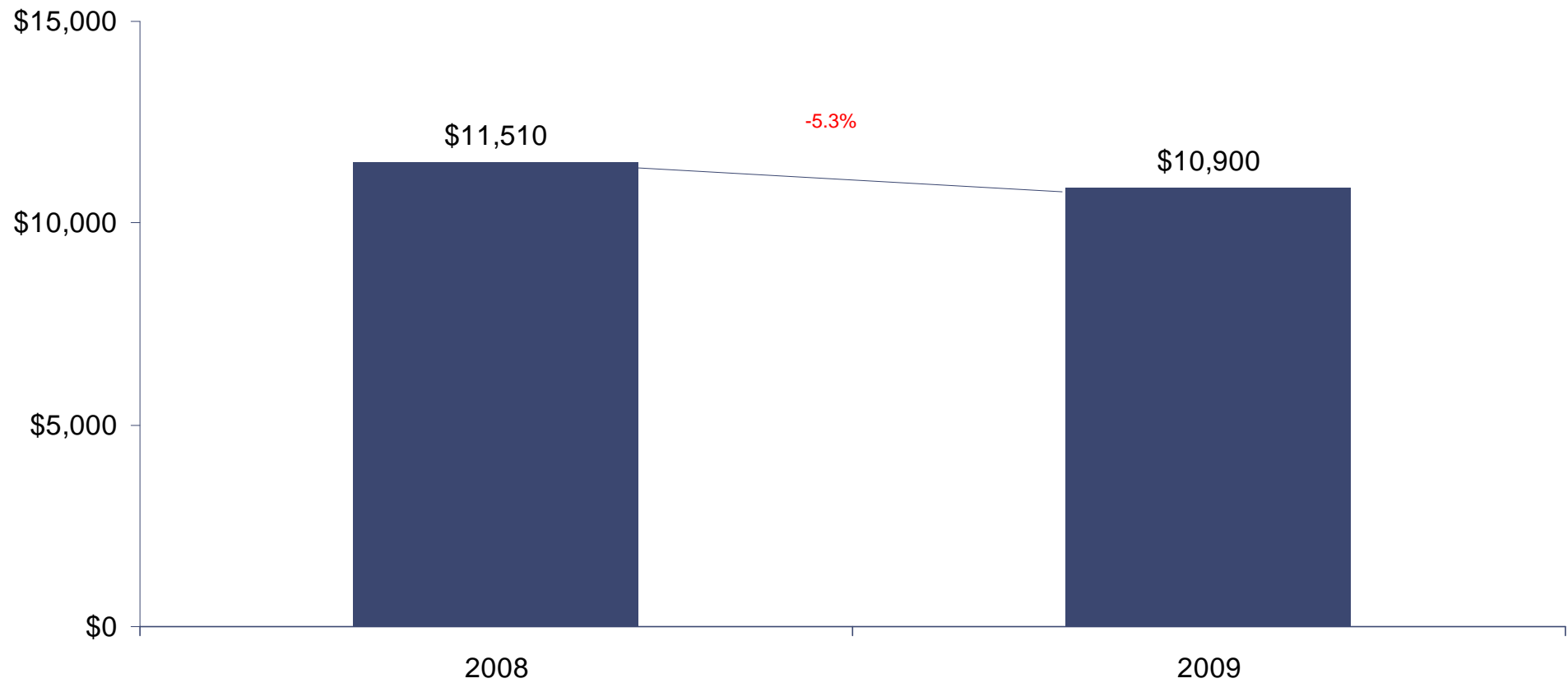
- PricewaterhouseCoopers:
  - Compiles a database of industry participants selling Internet/online advertising revenues.
  - Conducts a quantitative mailing survey with leading industry players, including Web publishers, ad networks, commercial online service providers, e-mail providers and other online media companies.
  - Supplemental Data is acquired through the use of publicly disclosed information
  - Requests and compiles several specific data items, including revenue by format, industry category and pricing.
  - Identifies non-participating companies and applies a conservative revenue estimate based on available public sources.
  - Analyzes the findings, identifies and reports key trends

# Detailed Findings

## Revenues Totaled \$10.9 Billion in the First Six Months of 2009

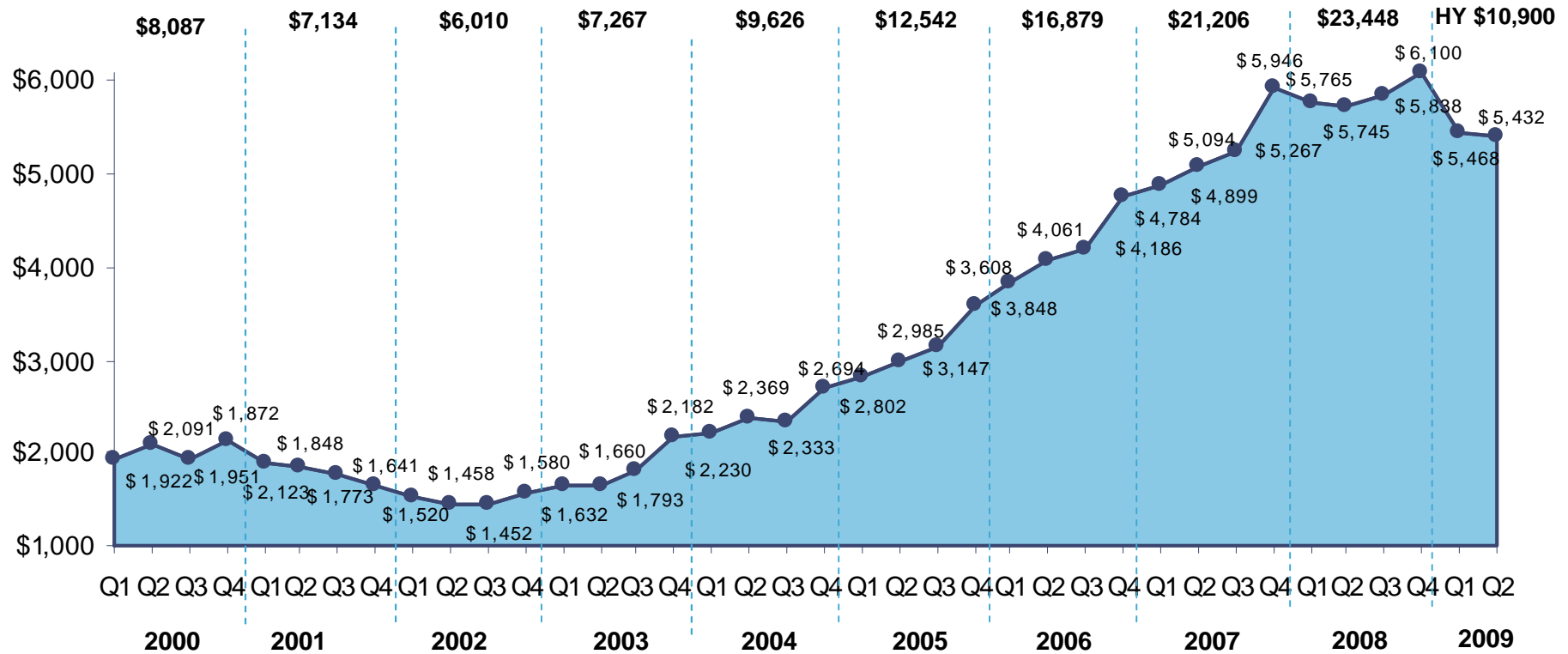
Online ad sellers reported aggregate revenues totaling \$10.9 billion for the first six months of 2009.

Total revenues for the first six months of 2009 were \$610 million (5.3 percent) lower than revenues for the first six months of 2008.

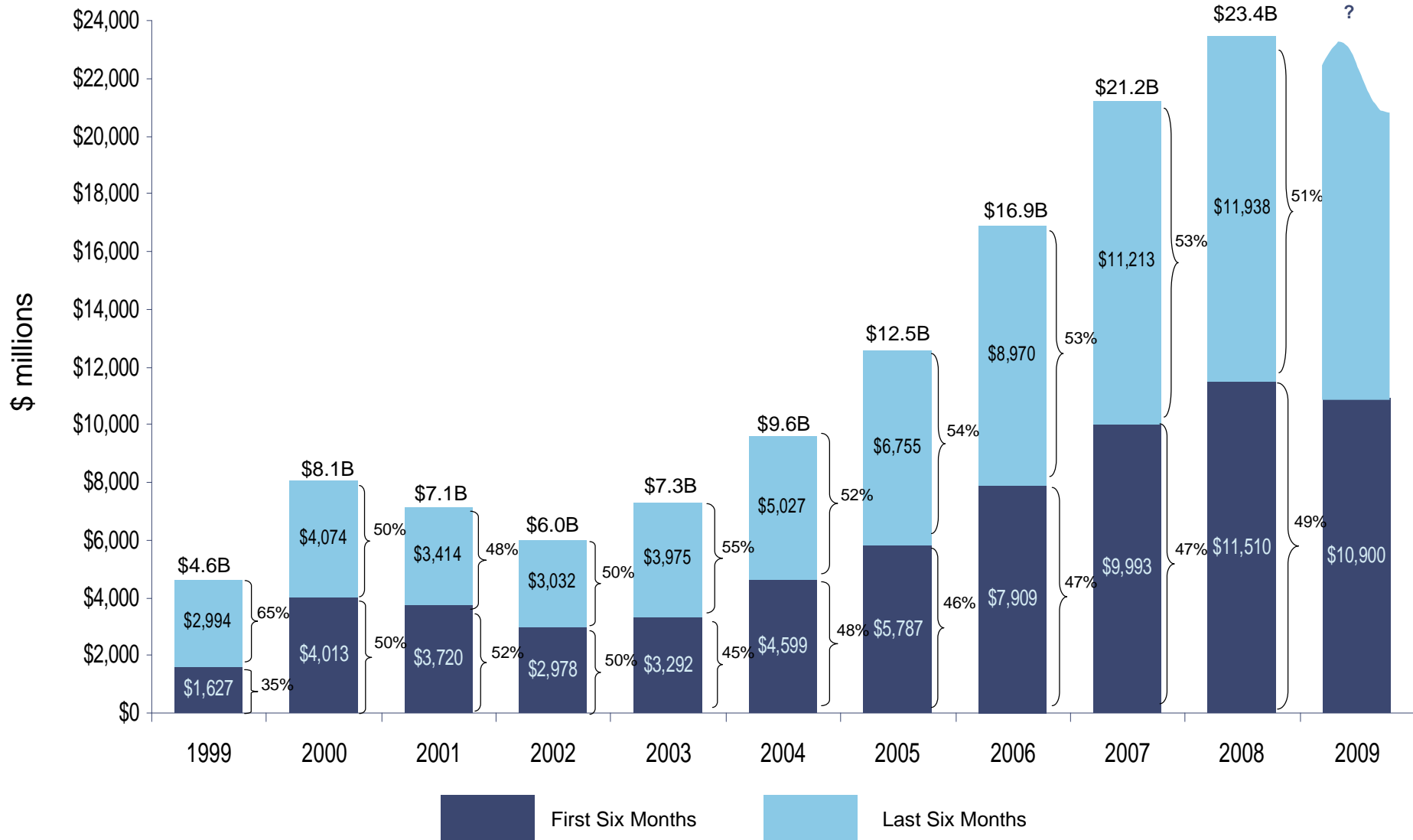


# Historical Perspective – Growth of Interactive Advertisements

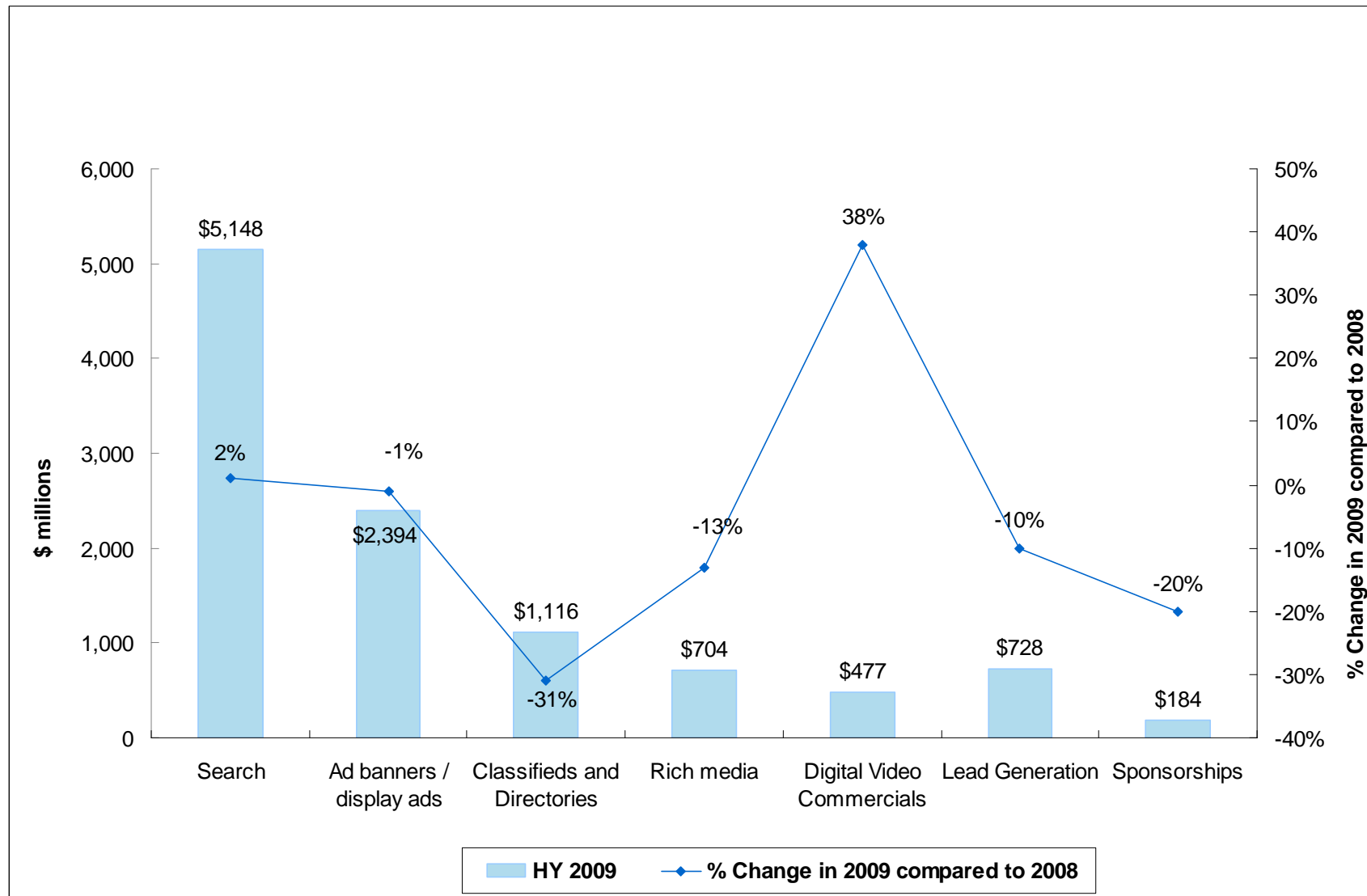
## Quarterly \$ Revenue Growth Comparisons — 2000-2009



# Historical Revenue Mix First Half vs. Second Half

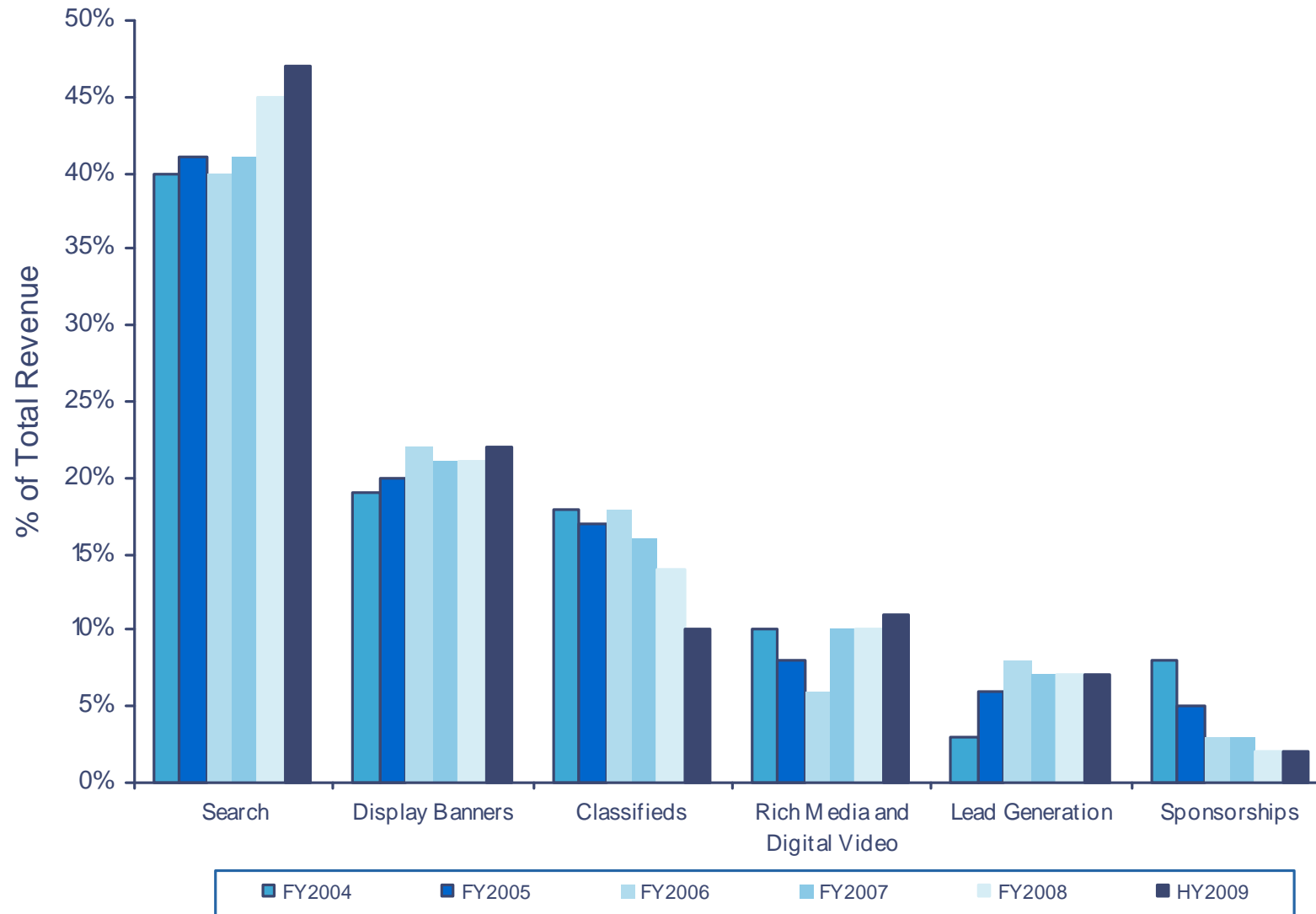


# Advertising Formats – 2009 Six-Month Results



# Historical Format Trending

Internet Ad Revenue Share by Major Advertising Format – 2004 – HY 2009\*

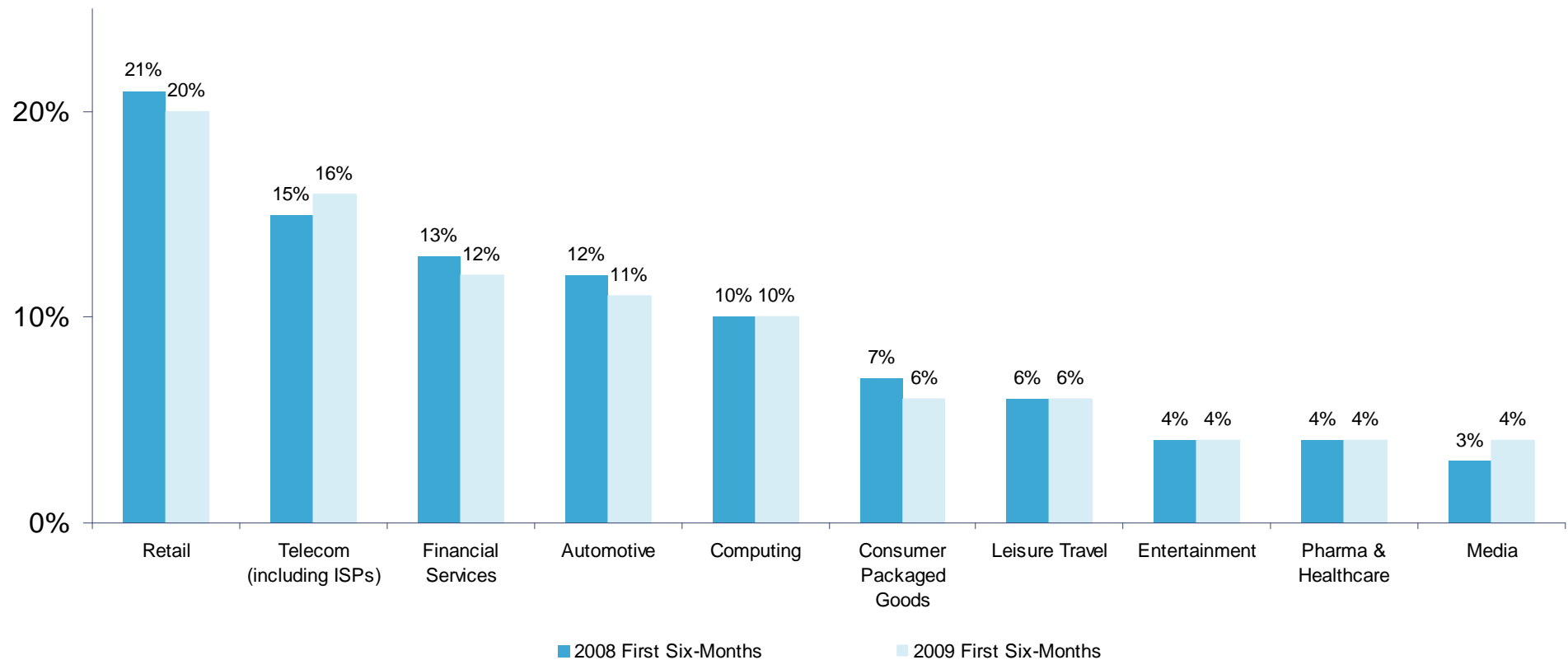


\*Format definitions may have changed over time period depicted, both within the survey process and definitional by survey respondents.



# Retail Advertisers Continue to Drive Consumer Ad Spending – First Six Months of 2009 Results

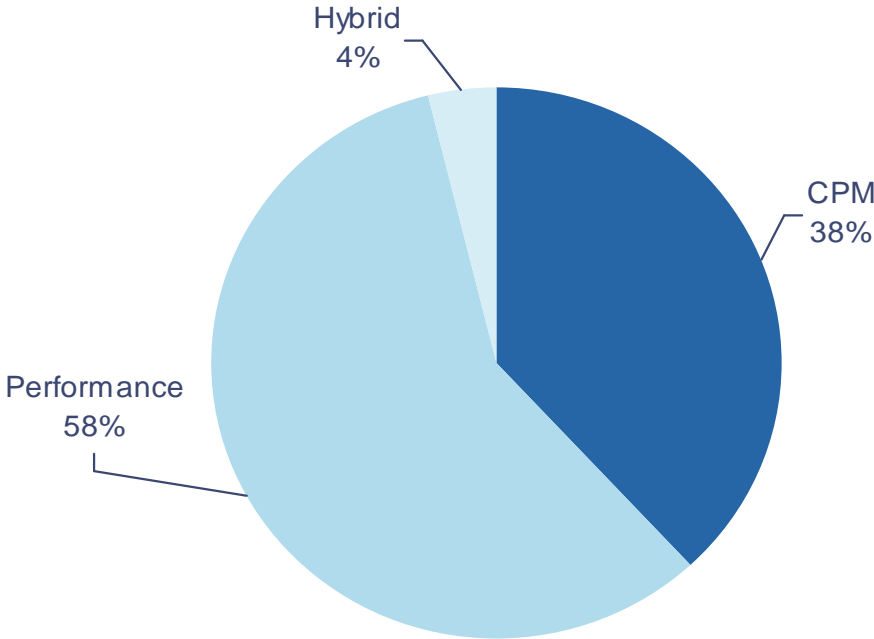
## Internet Ad Revenues by Major Industry Category\*



\*Format definitions may have changed over time period depicted, both within the survey process and definitionally by survey respondents.

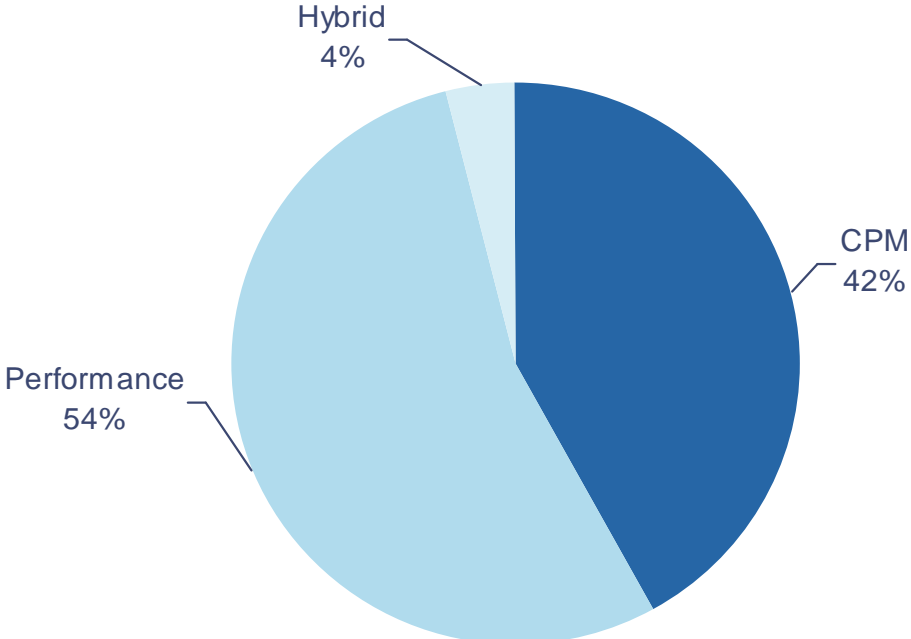
# Internet Ad Revenues by Pricing Model

% of 2009 Six-Month Revenues



Total – \$10.9 Billion

% of 2008 Six-Month Revenues

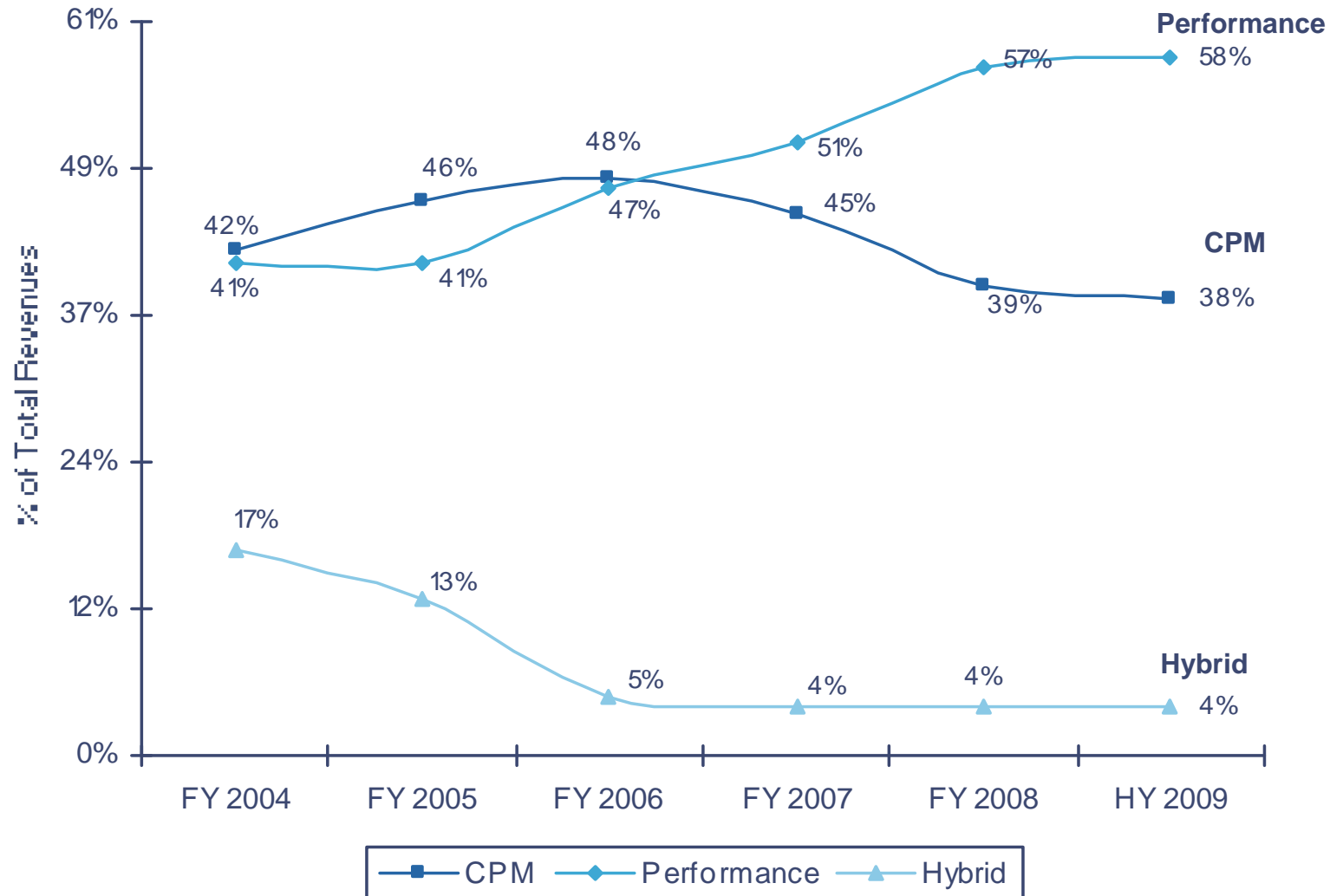


Total – \$11.5 Billion

\*Pricing model definitions may have changed over time period depicted, both within the survey process and definitionally by survey respondents. Prior year 2008 results were updated in this current report.

# Historical Pricing Model Trends

Internet Ad Revenues by Pricing Model – 2004 – HY 2009\*



\*Pricing model definitions may have changed over time period depicted, both within the survey process and definitional by survey respondents.

# PricewaterhouseCoopers New Media Group

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Our services include:

- Business assurance services
- Web audience measurement and advertising delivery auditing and advisory
- IAB Measurement Certification Compliance auditing
- Privacy policy structuring, attestation and compliance advisory
- Mergers & Acquisition assistance
- Tax planning and compliance
- Capital sourcing and IPO assistance

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