
Interactive Advertising Bureau 2010 Midyear Internet Advertising Revenue Report

Sherrill Mane, SVP, Industry Services, IAB

David Silverman, Partner, PwC

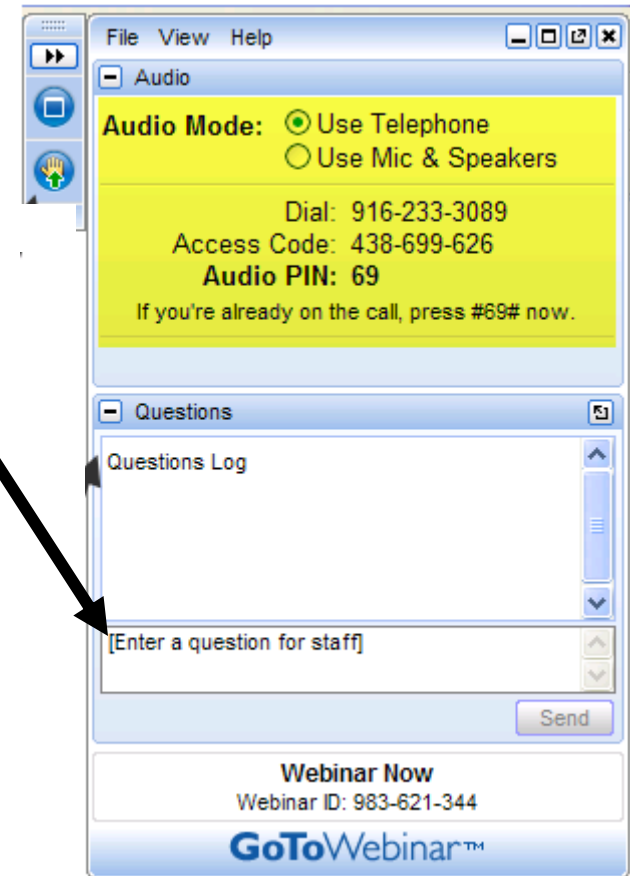
Tom Adams, Director of WebCosts, SQAD

Agenda

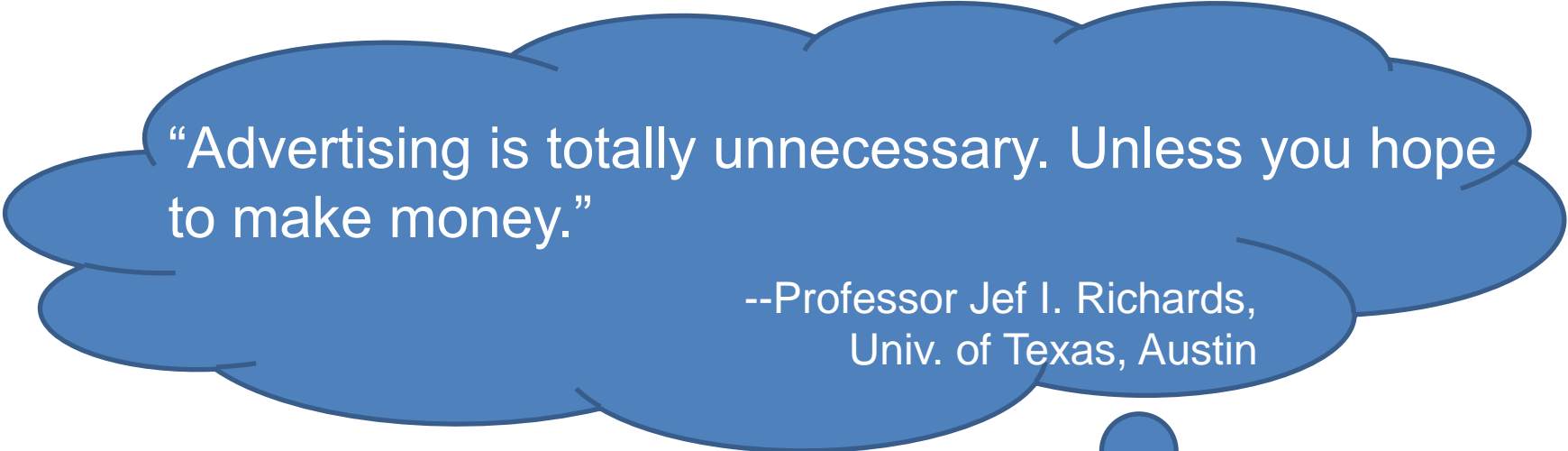
- Welcome
- 2010 Midyear Internet Revenue Highlights
Sherrill Mane, SVP Industry Services, IAB
- Details of IAB PwC 2010 Midyear Report
David Silverman, Partner, PricewaterhouseCoopers
- Trends in CPM Rates
Tom Adams, Director of WebCosts, SQAD
- Q and A

Important Note on Q&A

- We will be using the GotoWebinar user interface for all questions for this call.
 - Please type questions into the Questions box on the GotoWebinar user interface at any time during the presentations.
 - We will create a queue and answer as many questions as possible following Tom Adams's presentation.
 - Additional press questions should be directed to Marla Aaron, IAB Director of PR. Marla@iab.net
 - Additional questions from IAB members should be directed to Joe Laszlo, IAB Director of Research. joe@iab.net.



2010 Midyear Internet Revenue Highlights



“Advertising is totally unnecessary. Unless you hope to make money.”

--Professor Jef I. Richards,
Univ. of Texas, Austin

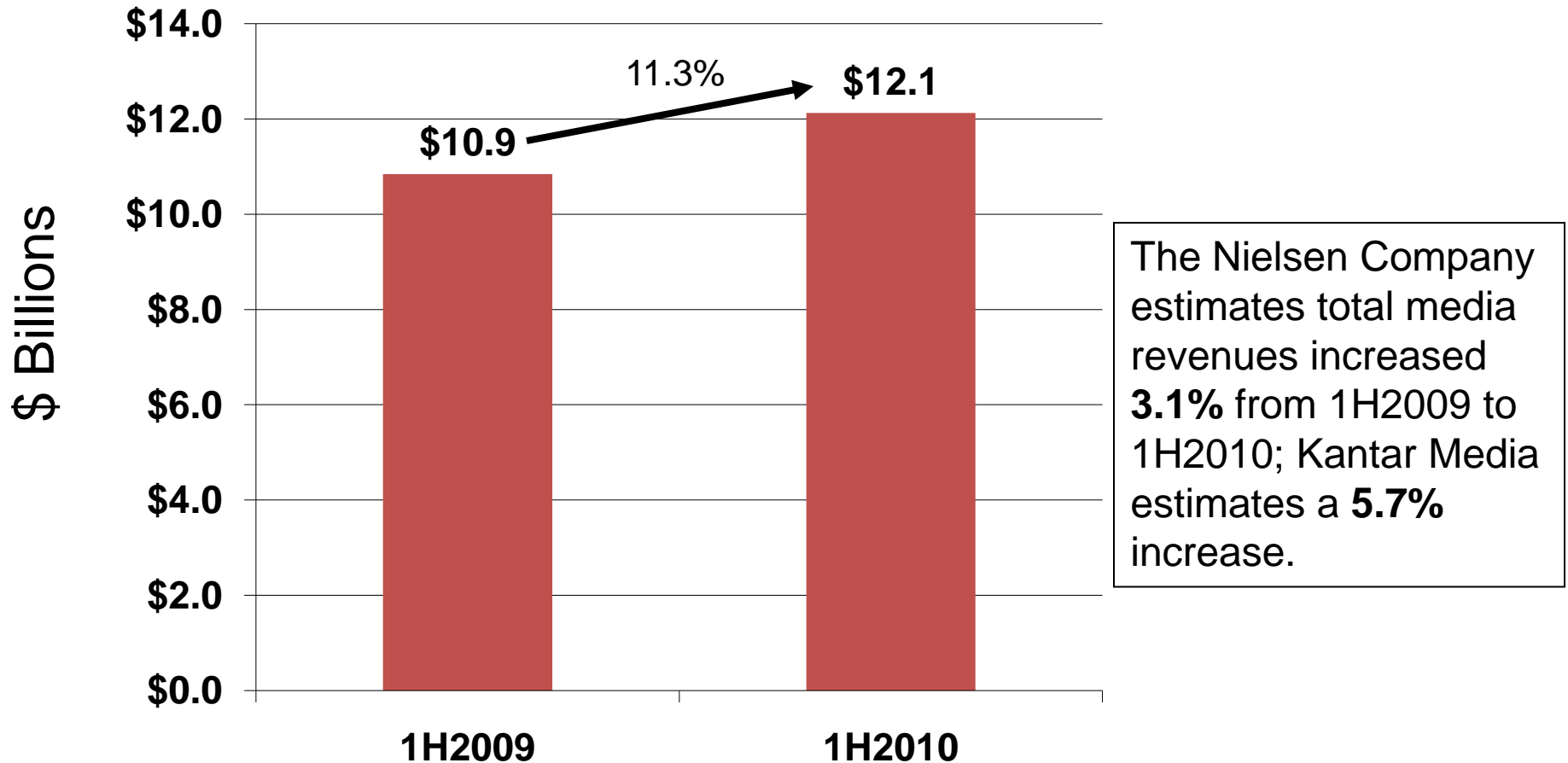


Sherrill Mane
SVP Industry Services
Interactive Advertising Bureau

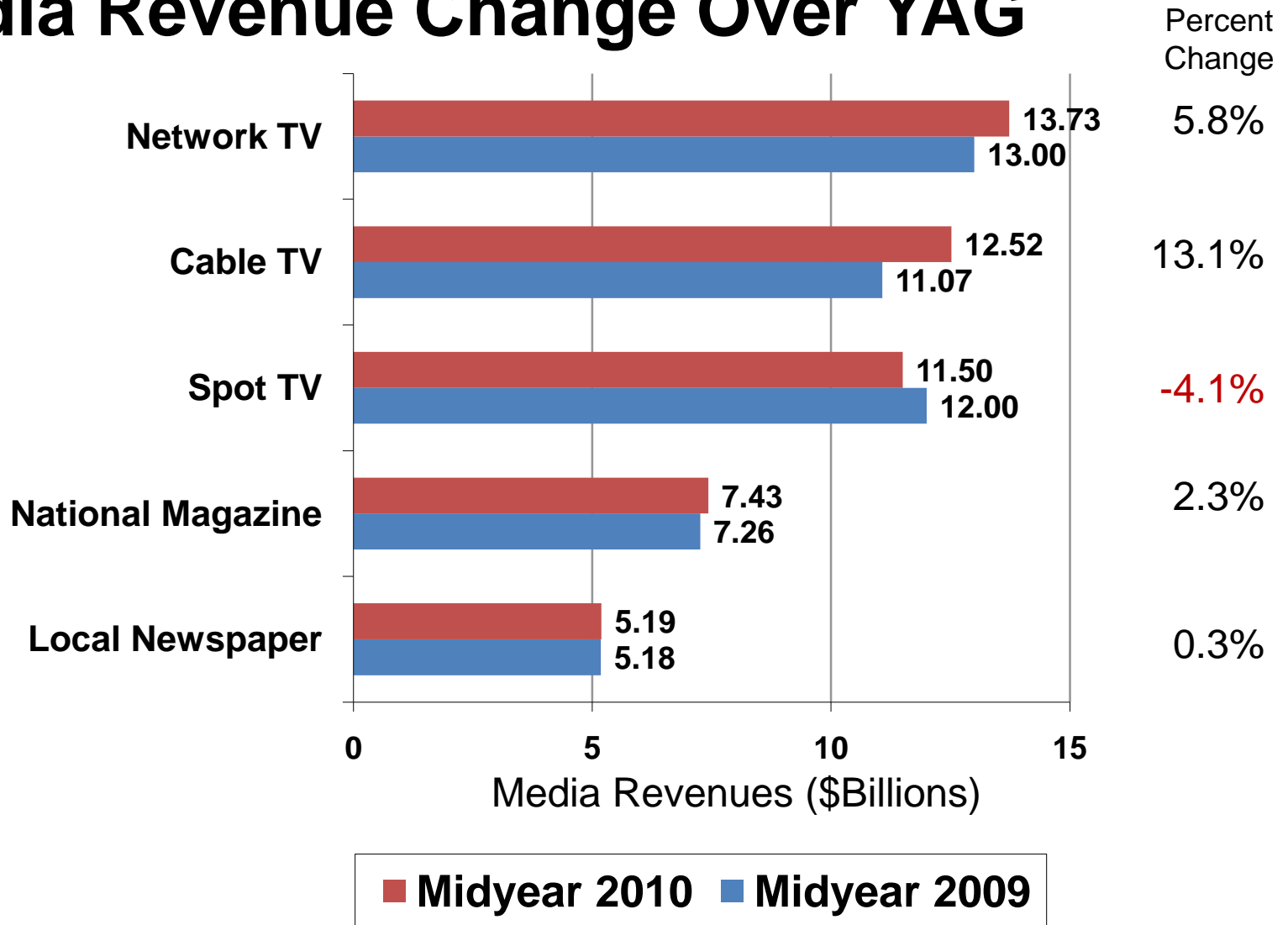
Biggest First Half Ever

- For the first half of 2010 US Internet ad revenues totaled \$12.1 billion, **the best first-half revenue ever.**
 - This represents an 11.3% (or \$1.2 billion) increase from 1H2009's \$10.9 billion.
- Second quarter 2010 revenue of \$6.2 billion represents the **second highest quarterly revenue result ever** for US interactive advertising.
 - This is a 13.9% increase over same time last year (\$5.4 billion in 2Q2009).

2010 Midyear Results Compared With 2009

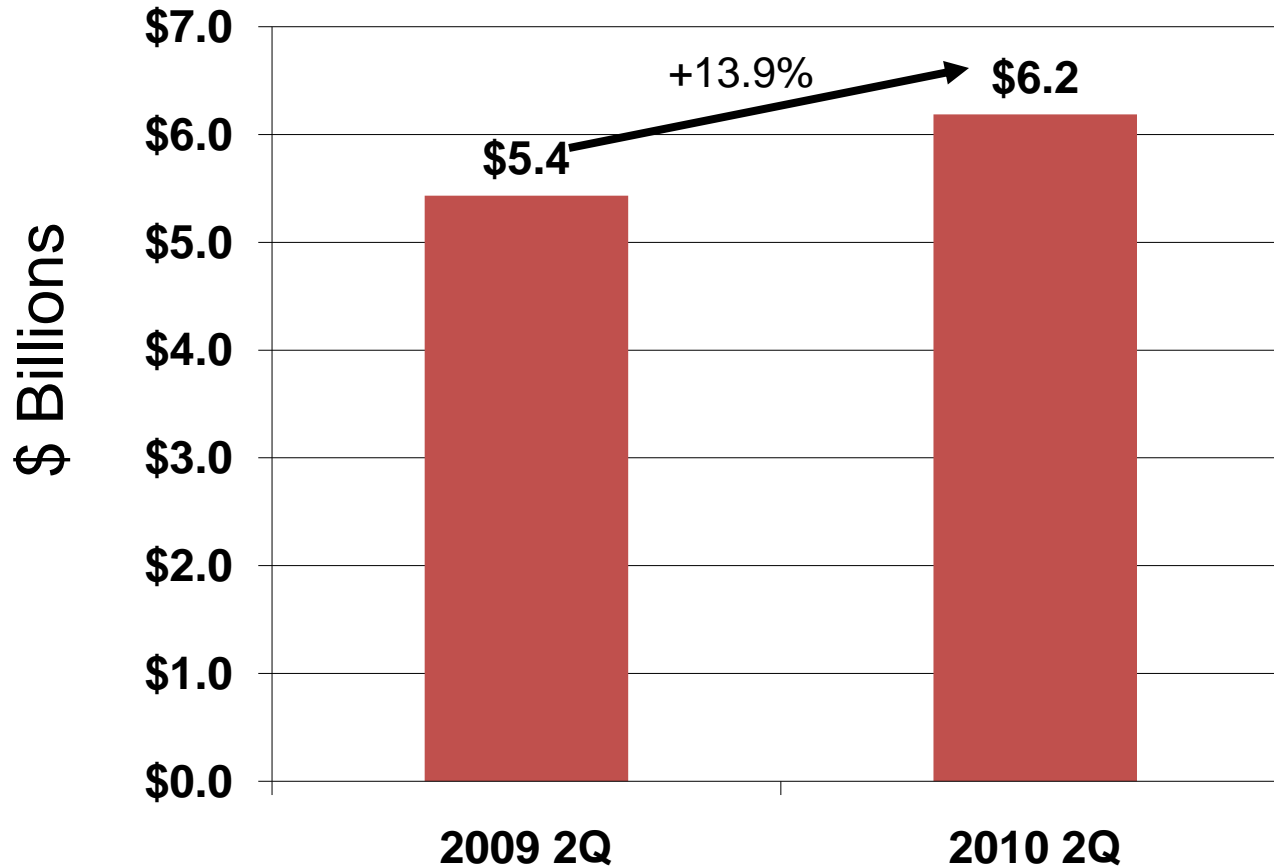


Midyear 2010 Top Five Non-Internet Media Revenue Change Over YAG



Source: The Nielsen Company, October 2010

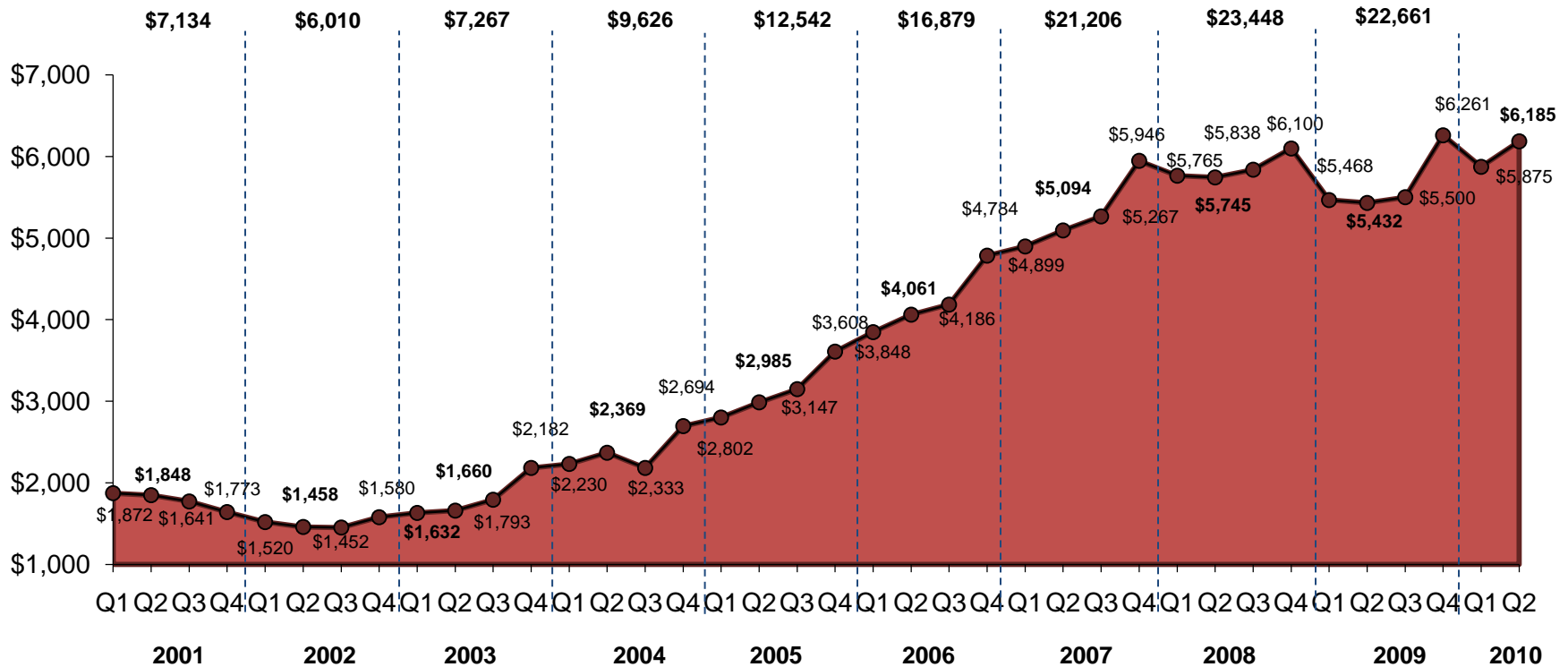
Second Quarter 2010 Results Compared With Second Quarter 2009



According to Nielsen, total media revenues increased **4.2%** from 2Q 2009 to 2Q 2010.

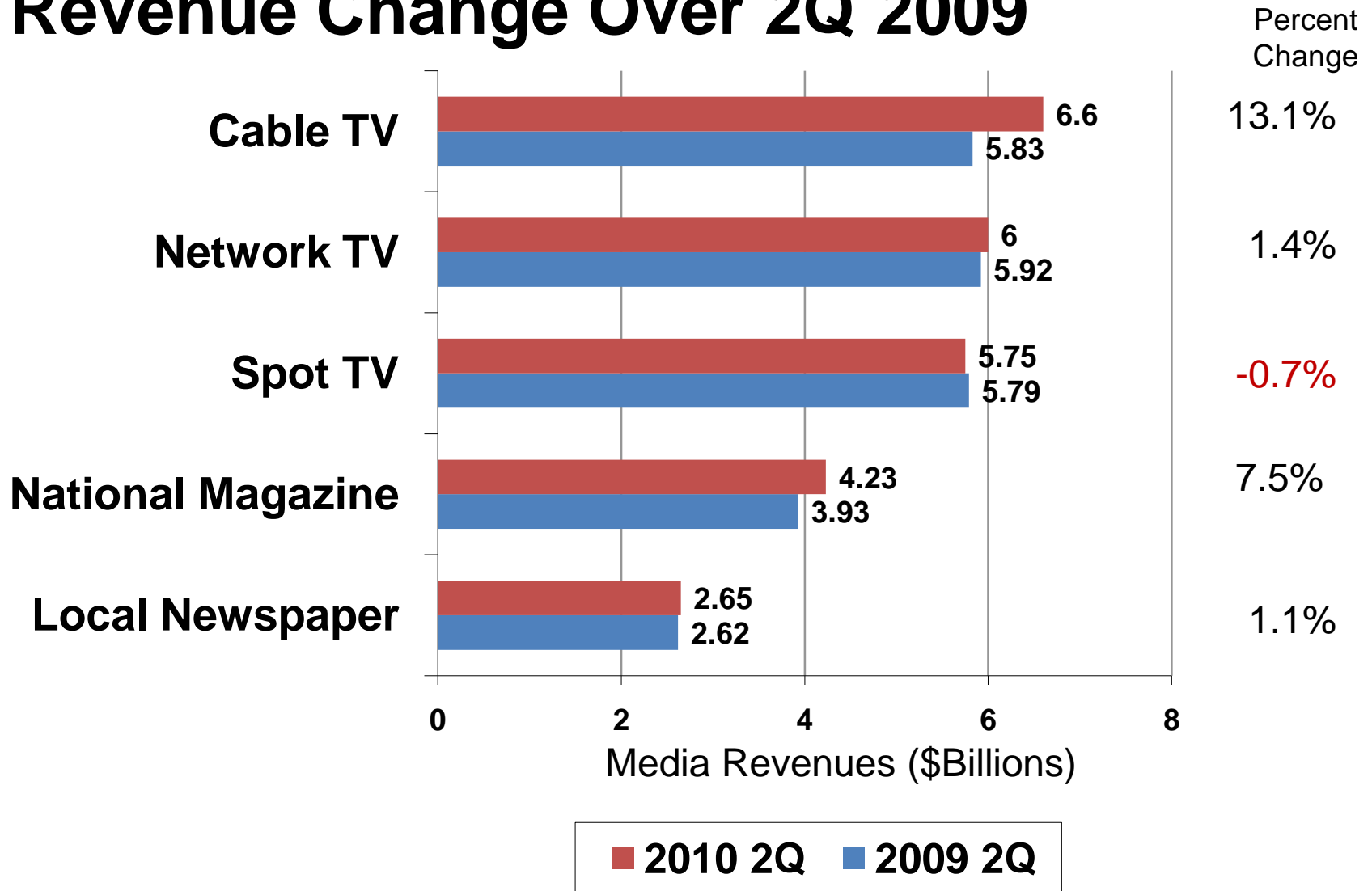
Interactive Advertising Quarterly Revenue Track 2Q2010: Largest Second Quarter Ever and Second Largest Quarter

Quarterly \$ Revenue Growth Comparisons — 1Q2001-2Q2010



Source: IAB Internet Advertising Revenue Report, 2010 First Half and Second Quarter Report

2Q 2010 Top Five Non-Internet Media Revenue Change Over 2Q 2009



Source: The Nielsen Company, March 2010

Up, Up and Away

- Display takes off (+16%) while search finds double digit rebound (+12%) in first half 2010
- Standouts in display-related ad formats*’ growth are 32% increase in sponsorship revenue and 31% growth in digital video
- Both impression and hybrid ad pricing models register growth in first half 2010, up 4% and 6%, respectively
- Upward bound display, impression-based and hybrid revenue models indicate an **influx of brand dollars**
- 2Q2010’s \$6.2B interactive revenue total rivals Nielsen data on cable and broadcast for the same time period: \$6.6B for cable and \$6.0B for broadcast network

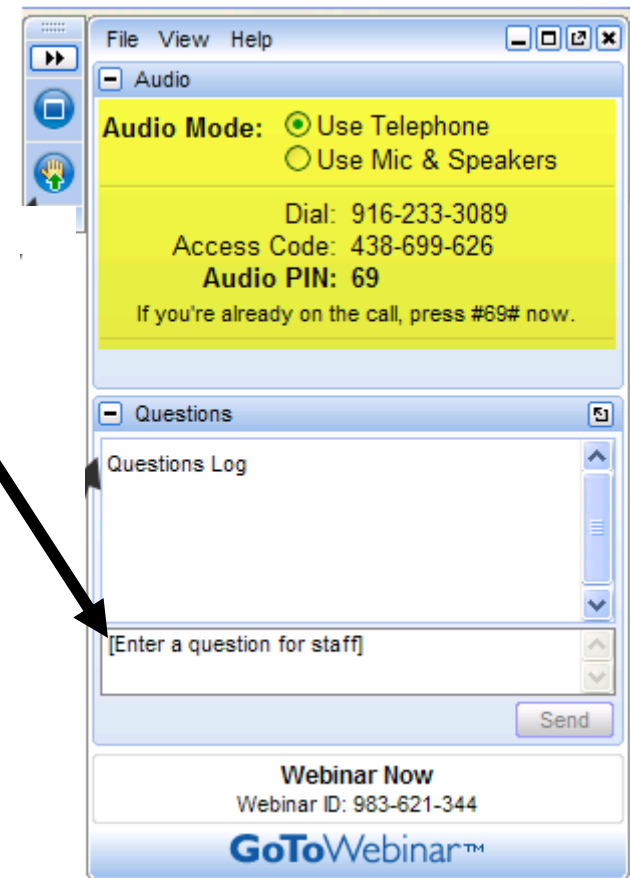


Details of First Half 2010 IAB Internet Advertising Revenue Report

David Silverman,
Partner, PricewaterhouseCoopers

Important Note on Q&A

- We will be using the GotoWebinar user interface for all questions for this call.
 - Please type questions into the Questions box on the GotoWebinar user interface at any time during the presentations.
 - We will create a queue and answer as many questions as possible following Tom Adams's presentation.
 - Additional press questions should be directed to Marla Aaron, IAB Director of PR. Marla@iab.net
 - Additional questions from IAB members should be directed to Joe Laszlo, IAB Director of Research. joe@iab.net.



THANK YOU

UPCOMING IAB EVENTS

- IAB Ad Operations Summit: New York, November 1, 2010
- IAB Case Study Road Show:
 - New York, November 15
 - Chicago, November 17
- IAB Annual Leadership Meeting: La Quinta, CA, Feb 27-March 1, 2011

IAB PROFESSIONAL DEVELOPMENT

- Essentials of the Digital Marketing Ecosystem: New York, October 21 ad 28, 2010

See: www.iab.net/events
