



President's Report

"IAB Unbound"

June 19, 2009

By Randall Rothenberg

We are now at the midpoint of 2009, and the Interactive Advertising Bureau and the industry we represent can count ourselves fortunate. Amid the worst recession in a half-century, interactive advertising revenues are falling slightly— but our share of the total advertising marketplace is rising, as the ongoing restructuring of marketing and media continues to focus the resources of marketers, agencies, and publishers on the rising value and importance of interactive channels to their continued prosperity.

The quarterly Interactive Advertising Revenue Report issued by the IAB and Price Waterhouse Coopers found that interactive advertising revenues for the first quarter of 2009 fell 5% from the same period in 2008, to \$5.5 billion. This represented the first year-over-year decrease since the fourth quarter of 2002, at the beginning of the dot-com bust. However, the decline in the overall advertising marketplace is far more severe. Last week, TNS Media Intelligence reported that U.S. advertising spend fell more than 14% in the first quarter. That followed a 9% drop in the fourth quarter of 2008, a period when interactive advertising revenues grew 2.6%.

Other media are expressing far more severe pressure on revenues. Reports from other trade associations indicate that magazines, radio, and newspapers saw year-on-year deterioration of 20–30% of their ad revenue. While we are pained by the difficulties of these other media – and by the companies comprising them, many of which are members of the IAB – the total advertising picture indicates that the interactive industry remains strong, and is growing relative to other segments.

The IAB's financial situation reflects that of our industry. The dynamism of the interactive sector typically leads to both losses and gains of members during the year, with new membership more than offsetting drop-offs. But so far this year, membership losses – 90 General and Associate members – have exceeded the gain of 52 new members. Moreover, some of the non-renewing members were large (Idearc, McClatchy and MediaWhiz), while most of the new members are small, and pay minimum dues. In tandem with ongoing consolidation in our industry (such as the acquisitions of CNET by CBS, and Weather by NBC Universal), these trends have driven membership dues down 16% year-over-year.

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Anticipating this shortfall early, IAB has been exceedingly cautious in its financial management for the first four months of 2009. At the beginning of the year, we revised the approved 2009 budget down 13% in both revenues and expenses to reflect the post-economic-meltdown reality. We also have experienced some counter-cyclical good news, as our Events Team has broken revenue and contribution goals on nearly every conference IAB has held so far this year.

Combined with careful expense controls, attention to dues payments, and solid asset management, and with the leadership of Executive Vice President and Chief Administrative Officer Patrick Dolan, Senior Director of Finance Mark Goldman, and Treasurer Bruce Gordon, the staff's work should allow us to break even this year, as promised.

At the Executive Committee call last week, the Ex-Comm reached three consensus decisions to help advance the IAB agenda. The committee voted to allow management, in consultation with the Board's Finance Committee, to restructure the IAB's dues to facilitate long-term retention of members. The Board agreed with a management recommendation to freeze 2010 dues for most members at 2009 levels, in return for longer-term membership commitments.

The Ex-Comm also endorsed the self-regulatory principles that emerged from the Cross-Industry Task Force on Behavioral Advertising Self-Regulation, as you will soon here.

And finally, the Ex-Comm agreed that IAB U.S. should establish an International Steering Committee to develop guidelines and oversee relationships with non-U.S. IAB's. This initiative is being undertaken to better coordinate activities to the benefit of all IAB members, and to protect against risk to the IAB brand. Rich LeFurgy will report at more length on this initiative at today's Board meeting.

Because of our relative health, the IAB team has been able to pursue aggressively the strategy we outlined for the Board last November. We labeled that strategy “IAB Outbound,” to reflect a fresh focus on our customers. Labeling 2009 “the year of now” – and contrasting it with earlier years’ concentration on the “how” of interactive advertising – we vowed to center our activities on converting marketers and agencies to interactive media; take the case for interactive directly to our customers; overcome customers’ objections to investing in interactive; drive share shift to interactive media; provide “why now” intelligence to publishers; and focus on adoption and implementation.

2009 Strategy: “IAB Outbound”



We intended to realize these goals through 13 individual programs and projects. I am pleased to say that at mid-year, we have made significant progress on 11 of these initiatives, while adding several others of equivalent importance along the way. The IAB team has been unusually productive. Let me outline the ways, slightly out of order.

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Public Policy

As you are no doubt aware, the IAB last week publicly launched the most important policy initiative in our history: a multi-pronged campaign to encourage our industry, our partners in the ecosystem, and the Federal government to adopt self-regulatory standards and enforcement mechanisms to assure consumer privacy rights and expectations in ad-supported interactive media. This public debut follows two years of behind-the-scenes work within the IAB and with several partner trade associations.

Much of the detail around this initiative will be left for today's Board meeting. But as a reminder, we initiated dialogue in 2007 and subsequently agreed to engage with the Association of National Advertisers (ANA), American Association of Advertising Agencies (AAAA), Direct Marketing Association (DMA), Council of Better Business Bureaus (CBBB), and the National Advertising Review Council (NARC) to develop self-regulatory principles that would bind all parts of the marketing-media ecosystem to guarantee consumer privacy rights in behavioral advertising. After many months of private discussions, we went public with this effort in January.

We had already convened, in October, a task force of our trade associations, plus 30 companies and other trade associations, to formally develop these principles. The task force, guided by our Washington Counsel Stu Ingis of Venable LLC and with leadership by Public Policy Vice President Mike Zaneis, completed its work earlier this month, and we have been bringing the principles to the various associations for ratification. I am pleased to say that the CBBB, DMA, and ANA have approved the principles, as did the IAB Executive Committee in its meeting last week. We expect AAAA to follow suit shortly, and we hope the IAB Board will endorse these principles today. Our associations are currently in the process of seeking seed funding to help establishment an enforcement mechanism, probably through the CBBB and NARC, and several marketers, agencies, and publishers already have committed significant financing in principle.

To help underscore the importance of self-regulation, and potential negative impact of inappropriately drawn government regulation, IAB last week formally launched the Long Tail Alliance, an association of small, ad-supported Web publishers. The “Long Tail Alliance” now supplants the “Small Publishers Initiative” and membership program we introduced a year ago. To kick off the Long Tail Alliance, IAB and several member companies hosted 28 long tail publishers from 13 states for two days of training and Capitol Hill visits, including over 40 visits with members of Congress. The publishers were shepherded by IAB staff, as well as public affairs executives from several of our IAB member companies, including Burst Media, Google, Yahoo, and Valueclick.

Long Tail Alliance descends on DC



- 28 Publishers participated
- Over 33 Long Tail Sites
- 13 States and 25 Congressional Districts represented



The expressed goal was to put a human face on the long tail, and to show Congress, as it considers Internet regulation, the significance of the ad-supported Internet to the diversity of voices and ideas available on the medium. (To further this objective, we premiered for the press, public, and small publishers the video *"I Am the Long Tail"* that we premiered for members at the IAB Annual Leadership Meeting in February. The video, as well as a growing collection of personal videos by small publishers about themselves, are now up on a new IAB web site, iamthelongtail.com.)

Congressional Offices Visited

House of Representatives

Congressman Bartlett, MD, 6th
Congresswoman Capps, CA, 23rd
Congresswoman Baldwin, WI, 2nd
Congresswoman Kirkpatrick, AZ, 1st
Congressman Hall, NY, 19th
Congressman Gingrey, GA, 11th
Congresswoman Matsui, CA, 5th
Congressman Dingell, MI, 15th
Congresswoman Eshoo, CA, 14th
Congressman Waxman, CA, 30th
Congressman Graves, MO, 6th
Congressman Moore, KS, 3rd
Congressman Blunt, MO, 7th
Congressman Wittman, VA, 1st
Congressman Radanovich, CA, 19th
Congressman Heller, NV, 2nd
Congresswoman Titus, NV, 3rd
Congressman Doyle, PA, 14th

Congressman Yarmuth, KY, 3rd
Congresswoman McCarthy, NY, 4th
Congressman Whitfield, KY, 1st
Congresswoman Maloney, NY, 14th
Congresswoman Ros-Lehtinen, FL, 18th
Congressman Terry, NE, 2nd
Congressman Rogers, MI, 8th
Congressman Nadler, NY, 8th
Congresswoman Slaughter, NY, 28th
Congresswoman Myrick, NC, 9th
Congressman Young, FL, 10th
Congressman Shadegg, AZ, 3rd
Congressman Marchant, TX, 24th
Congressman Nye, VA, 2nd
Congressman Posey, FL, 15th
Congressman Pitts, PA, 16th

Senate

Senator Nelson, FL
Senator Hutchison, TX
Senator Wicker, MS
Senator Boxer, CA
Senator Vitter, LA
Senator Warner, VA
Senator Kerry, MA

Each of our small publishers paid his or her own way to Washington. They included Denis and Catherine Grosz, a brother and sister from Sparks, Nevada, whose site WiseGeek.com provides expert answers to hundreds of thousands of questions. There was Eduardo Hauser of Hollywood, Florida, the entrepreneur behind Dailyme.com, a site that enables users to customize news to their personal interests. Also from Florida was Yanier Gonzales, the twenty-something proprietor of Destructoid, a site for, about, and by passionate online gamers. Barbara Feldman came in from Del Mar, California; her site, Surfnetkids, provides educational Web site reviews for parents of young children. Susan and Michael Beasley came in from Lorton, Virginia, to speak about their educational site for children, parents, and teachers, PrimaryGames.com. She left her job as a first-grade teacher, and he left his position in telecommunications, to devote themselves to this business full time. So did Susan and James Martin, whose full time job in Montross, Virginia is raising their kids and running the home remodeling site Ikeafans.com.

As the Capitol Hill meetings were concluding, IAB held a press conference at the National Press Club in Washington to unveil the study we commissioned one year ago on the *Economic Value of the Internet Advertising Ecosystem*, co-authored by Harvard Business School Professors John Deighton and John Quelch. Professor Deighton flew down from Cambridge to present.

Press Conference - National Press Club

- The Economic Value of the Advertising-Supported Internet Ecosystem Study Released
- Formal launch of the IAB's Long Tail Alliance
- Debut of "I Am the Long Tail" film



Harvard Business School Professor John Deighton presents Economic Value Study

We believe the study to be the most comprehensive exploration of the subject yet conducted. Professors Deighton and Quelch found that interactive advertising is responsible for \$300 billion of economic activity in the United States, or roughly 2% of Gross Domestic Product. The advertising-supported Internet employs 1.2 million people directly in jobs that build or maintain the infrastructure, facilitate its use, or conduct advertising and commerce on that infrastructure. Under the reasonable assumption that each Internet job supports an additional 1.54 jobs elsewhere in the economy, then 3.05 million, or roughly 2 percent, of employed Americans owe their employment to the advertising-supported Internet.

Internet jobs are widely dispersed across the United States. Every one of the 435 U. S. Congressional districts contains at least 17 Internet employees. Some districts support as many as 6,500, and twenty-four districts have at least 1,000 identified Internet employees.

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Some 20,000 small businesses operate on the Internet. The online auction site eBay alone is the primary source of income for 120,000 individuals who earn their living as seller; another 500,000 men and women have part-time businesses on eBay. A recent *Wall Street Journal* report estimates that nearly half a million individuals may make their living as “bloggers,” or small publishers of online content.

The Capitol Hill fly-in was overseen by Mike Zaneis and Public Policy Director Alison Pepper, with remarkably energetic leadership provided by staffers Chris Glushko, Shira Orbach, Marla Aaron, and others on Senior Vice President David Doty’s Marketing Team. The fly-in and the release of the economic study – which was ably shepherded into existence by IAB Research Director Joe Laszlo and Senior Vice President of Industry Services Sherrill Mane – were widely covered by the trade and mainstream press, and create firm ground for the formal disclosure of the cross-industry self-regulatory principles and next steps, which we anticipate will happen during the next several weeks.

Another important step in our campaign to protect consumer privacy will be taken today, at our Board meeting, where we are unveiling the industry’s first public service campaign about consumer privacy protection. Two WPP agencies, the media agency Group M and the digital agency Schematic, provided pro bono services to IAB, to develop an eye-popping display advertising campaign designed to provide consumers insights into how interactive really works, and to take them to pages on the IAB Web site that will give them additional details on how interactive advertising uses data to benefit them, and how to protect their own privacy online.

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We have made preliminary inquiries to members for donated media, and I am pleased to report that we already have commitments from eight IAB members for 300 million impressions. We'll need a lot more impressions to make an impression, so I'm hoping most of you will be able to help us in our quest to educate the public.

300 million impressions and counting

Company	Inventory Commitment
AOL	20 million
Cnet/CBS	10-20 million
Collective Media	1 million impressions
Connexus Corp	150-200 million impressions per month
CPX Interactive	50 million impressions per month
NYTimes Company	10 million
TV Guide.com	1 million impressions
WSJ	2 million impressionsAbout.com

Finally, I want to make a renewed pitch for contributions from our Board to our IAB Political Action Committee. I think you can see that Washington is now as much a center of our professional lives as Silicon Valley and Silicon Alley. These personal donations are vital for keeping our links to the Congress strong. Donations of up to can be made every year. You can give up to \$5,000, or \$10,000 if your spouse wants to make a contribution. But anything will help, even \$100. We will soon re-send the contribution forms to you all. Please note that I do expect every member of this Board to contribute something.

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Member Services & Professional Development

With the previously mentioned losses and gains in membership, IAB's roster now stands at 345 member companies. One issue that remains consistently high on all members' list of priorities is training. Accordingly, we launched our first in-house Professional Development program in November 2008 with a seminar on Yield Management Best Practices, taught by James Deaker and Jason Kelley of Microsoft's Publisher Advisory Services.

While the IAB has previously provided training on an out-sourced basis, with member discounts at leading training companies in the interactive space, this new program is intended to go far beyond this limited approach. We now leverage the expertise of our members and our in-house knowledge to create rich and valuable training programs that educate employees of member companies and others in the industry, including both agencies and marketers, thereby growing the overall market.

Under Director of Training & Outreach Jonathan Busky and Vice President for Member Services Michael Theodore, we have aligned the goals and a strategy for IAB Professional Development fully in- with IAB's overall mission. The program is designed to be responsive to member needs, facilitate the adoption of the standards and guidelines we develop and the best practices we identify, and to use our member companies to help our members and our customers. With this strategy, we have developed six classes; four more are scheduled through July:

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Professional Development: March – August 2009

- March 17 — [Marketing with Social Media and Networks](#)
- March 25 — [Ad Operations for Account Execs](#)
- April 16 — [Managing Multiple Sales Channels](#)
- April 23 — [Video Game Advertising](#)
- May 14 — [Understanding and Using On-Line Metrics](#)
- May 20 — [Yield Management Best Practices](#)
- June 9 New York — [Professional Presentations: Turn Information into a Story That Sells](#)
- June 16 San Francisco — [Managing Multiple Sales Channels](#)
- June 16 San Francisco — [Marketing with Social Media and Networks](#)
- June 16 San Francisco — [Metrics 101 — Understanding and Using Measurement Data](#)
- July 16 New York — [Targeting: Reaching the Right Audience Online](#)
- July 23 New York — [Closing the Deal with Data: Using Research to Sell](#)

These courses have been taught collaboration with a total of 12 different member companies:

Professional Development: Member Instructors

- Microsoft (*Yield Management and Games*)
- New York Times (*Ad Ops for AEs*)
- AOL (*Ad Ops for AEs*)
- Yahoo! (*Managing Multiple Sales Channels*)
- Wild Tangent (*Games*)
- Sky Works (*Games*)
- Nielsen (*Metrics*)
- Federated (*Social Media*)
- Hitwise (*Targeting*)
- comScore (*Targeting*)
- Hitwise (*Research for Sales*)
- Scripps (*Research for Sales*)

48



To date, 230 people have attended sessions in our offices in New York and in rented facilities in San Francisco. Feedback has been extraordinarily positive: satisfaction ratings typically exceed 90%, and we hear from participants that they find the time they spend in our seminars incredibly valuable.

Member Services has provided the opportunity for members to showcase their expertise to other members through a successful new webinar series introduced this year. There have been other innovative member-only events such as the well attended Out-of-the-box lunches, specialty webinars and the ever popular IAB.Networking receptions.

In addition to these formal training classes, IAB launched a cross-team initiative under the heading, "Reimagining Display Advertising," to gather intelligence, adapt standards, and provide networking and development opportunities to publishers' teams specifically geared toward their display advertising needs. To kick off this initiative, Bain & Company and Microsoft helped IAB facilitate a dinner discussion on the subject. We expect that much of the rest of 2009 and 2010 will be devoted to this important multifunctional initiative.

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And we also trained our customers. We have held two IAB Boot Camps since our last Board meeting. The first, at the Martin Agency in Richmond, Virginia – the agency for such important national advertisers as Geico Insurance and WalMart – brought more than four dozen of their account executives, for training modules taught by executives from Conde Nast, The New York Times Company, and AOL, among others. The next, at Alcatel Lucent in New Jersey, was the first wholly devoted to mobile marketing.

Research & Measurement

As indicated above, IAB's Research function, led by Research Director Joe Laszlo and Senior Vice President Sherrill Mane, did fulfill our vow to introduce a metrics course in 2009. The team also made headway with "Beyond Counting Exposures," a project with the AAAA's that seeks to simplify planning and transactions among marketers, agencies and publishers through the development of a set of generally accepted principles of objective-based measurement.

A consulting team from McKinsey & Company led by Director Geoff Sands and Principal Yael Taqqu conducted numerous interviews with publishing, marketing and media executives, and in March provided IAB and the AAAA's with the outline for a process that could unite various elements of the marketing-media ecosystem around a unified approach to measurement. Its main recommendations included the suggestion that marketers, through the ANA, become involved on a client-like basis as part of a cross-industry task force to resolve the lack of comprehensively understood measurement standards in interactive. The McKinsey team – which donated its services to the IAB and AAAA's – also suggested that we not attempt to develop cross-platform metrics, but attempt to solve for online metrics first.

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Digital marketing metrics: How can innovation unlock more dollars?

IAB
4A's

March 2009s

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I have spoken to ANA President and CEO Bob Liodice, who is in principal interested in collaborating with us on this project. We hope to have a preliminary meeting among our three associations this summer, and after consultation with our Research Council, to convene a cross-industry group to attempt to achieve consensus on metrics that matter.

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In other measurement news, the audits of both Nielsen and comScore continue, with completion projected by the Media Ratings Council (MRC) in late 2009. During the latter half of 2008, Quantcast also submitted a major product for an MRC audit.

Also notable, the IAB completed and published final versions of its *Audience Reach Measurement Guidelines* (February 2009) and *Click Measurement Guidelines* (May 2009), standardizing and clarifying key industry metrics in these vital areas.

The IAB team also has taken a great leap forward in another of our 2009 goals: to gather useful intelligence about the progress and needs of brand marketers in their use of interactive media – another of the projects grouped under the “Reimagining Display Advertising” initiative. At today’s Board meeting, we will unveil “Building Brands Online,” an important study by the consulting firm Bain & Company that details brand marketers’ current practices, anticipated needs, and expectations for media-company relationships. This study, which was funded by member contributions, is, we believe, the most comprehensive research yet undertaken on the ways in which media and marketers’ business-to-business links should evolve. The work promises guidance about brand advertising, response advertising, marketing programs, agency relationships, and numerous other critical areas for IAB members.

From our review of early drafts of the work, we expect the report will directly aid publishers’ go-to-market strategies. Accordingly, we will plan webinars and training classes that utilize this work.

Working with the Member Services and the Marketing Teams on outreach, the Industry Services team held a second, highly successful *State of the Industry* webinar around the release of the 2008 year-end PWC report. That webinar featured a presentation by Professor Peter Fader of the University of Pennsylvania’s Wharton School, which provided depth and context to the numbers. More than 200 IAB member executives attended this virtual conference.

Industry Services

Baseball history fans will remember an aphorism that characterized the great 1948 Boston Braves team and the pitchers who carried them to the National League pennant: “Spahn and Sain and pray for rain.” IAB has its own duo of rain-makers in the Industry Services team: Mane and Fain. In addition to the Research function that sits in their group, Sherrill Mane and Vice President Jeremy Fain oversee standards and guidelines development, best practices identification, and industry contracting and relations.



Ad Units Task Force

The aforementioned “Reimagining Display Advertising” initiative that kicked off this spring included a convening of a task force to rethink ad-unit format standards, with the expressed goal of assuring that interactive display advertising become a better forum for brand advertising. The group will review the standards not only based on the popularity of the ad sizes, but also use analysis of effectiveness and other campaign success measures to recommend the next round of standard ad formats.

This group grew directly from a campaign I have been leading personally, to bring the IAB and the creative community in advertising more closely together. Consequently, the ad-units task force for the first time included top online publishers, media agencies *and* creative officers from the nation’s leading advertising agencies.

Reimagining Display Advertising: Ad Units Task Force

- | | |
|---|---|
| <ul style="list-style-type: none"> • Barbarian Group • BBDO Worldwide • Carat Interactive • Cars.com • CBS Interactive • Condé Nast Digital • Digitas • Disney Interactive Media Group • Google, Inc. • McKinney • Microsoft Advertising | <ul style="list-style-type: none"> • New York Times Digital • Ogilvy Interactive • Platform-A • Razorfish • R/GA • ShortTail • Time Inc. • Turner Broadcasting System, Inc. • Universal McCann • Univision Online • Yahoo!, Inc. |
|---|---|



As I told the press when we launched the task force: “We believe we can make interactive advertising far more hospitable to the craft and practice of persuasion by putting creativity front and center in the development of advertising standards. By bringing creative agency leaders into the discussion of the standards, we highlight our industry-wide mission to showcase brands and engaging consumers in meaningful ways.”



Terms & Conditions Task Force

IAB and major agencies also are collaborating on developing a new model contract for interactive advertising transactions. As a direct result of the successful IAB-AAAA Supply Chain Reinvention Task Force, leaders from all major media agency holding companies are negotiating with a large, representative team of publisher and network leadership to update the 7seven-year-old Standards Terms & Conditions document.

The areas under review by member legal, sales, finance, operations, buying, and planning executives include 3rd party ad server discrepancies, standardizing adjacency language, updating the entire document to handle performance-based inventory, and codifying cancellation terms for different types of inventory such as CPM vs. CPC vs. custom content. Led by Jeremy Fain, this initiative has an extremely aggressive timeline and is on schedule for a public-comment release at our annual MIXX conference in September. Relevant committees, councils, and all board companies will get a final draft for review by end-August.

Data Usage Task Force

We formed a Data Usage Task Force in March, to inform not only the T's & C's negotiations, but our ongoing efforts in self-regulation. Led by Paul Iaffaldano, EVP Sales, Weather Channel Interactive, and Joshua Koran, VP Optimization and Data, ValueClick, Inc., and overseen by Patrick Dolan, the task force has three immediate objectives: create a comprehensive interactive advertising data definitions and usage rules; establish an industry point of view of ownership and valuation; and communicate this point of view throughout the advertising ecosystem. Patrick Dolan will report on its activities to date later today.

Supply Chain Reinvention Task Force

Work continues on the all-important E-Business and Impression Exchange supply-chain initiatives. We anticipate a formal rollout to both agencies and publishers via a "virtual roadshow," under the auspices of Industry Services and the AAAA's Media Policy Committee, led by Group M North America CEO Marc Goldstein. Creating these solutions will enable all partners in the ecosystem to achieve scalable ad operations, and will significantly decrease or eliminate discrepancies as a friction point. Beta development and testing will continue on the technical communication standards throughout the summer and into the fall with an updated standard to be released sometime in Q1 2010.

Social Media

Two important best practice documents were recently released by the User Generated Content and Social Media Committee. The *Social Media Ad Metrics* document standardized the definition of the diverse new metrics being used to develop social media plans and analyze campaign results. The *Social Advertising Best Practices* tackled the emerging social ad format and set down important privacy and disclosure practices for companies using this highly engaging, data rich interactive advertising.

Going to Market

In early 2009, the IAB partnered with the Online Marketing Summit (OMS), giving our members access to marketers and agencies attendees at one-day interactive summits in 18 cities around the country. Our members from the Search, Local, and Digital Video Committees, and our Industry Services team have used these events to evangelize the strength of interactive and the educate each region on the important supply chain simplification initiatives developed by the IAB. In addition to the OMS partnership, the IS team has spread the gospel of interactive across the world and to many different areas of the industry.

Marketing & Events

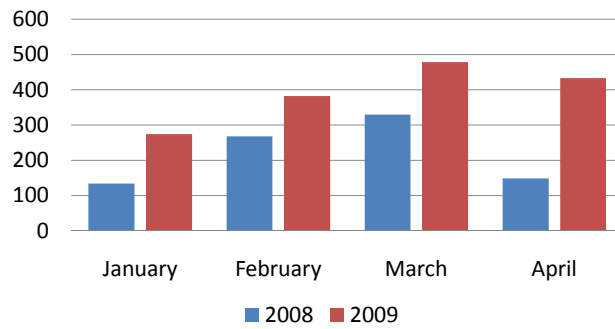
Since February 2009, the IAB enhanced its public profile through well-planned and sharply executed communications strategies, leveraging the press, the IAB web site and, increasingly, social media platforms, under the leadership of David Doty. During the first four months of 2009, press coverage increased by more than 75 percent from the same period in the previous year, averaging nearly 400 stories per month that appeared in business and consumer media. At the same time, readership of IAB.net continued to grow with year-over-year site visits up 17 percent while unique visitors increased 16 percent.

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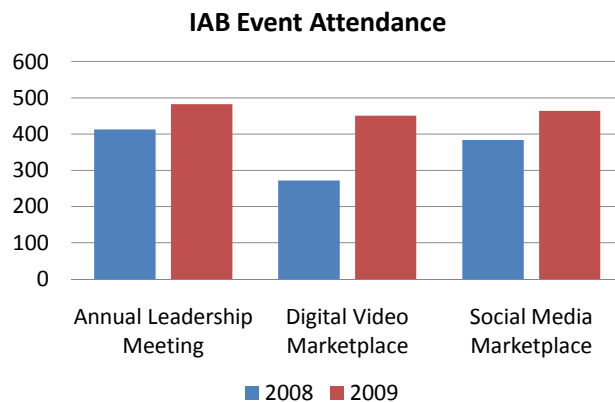


**Total IAB Related Stories in
Business & Consumer Media**



Aligning to another important IAB initiative—creativity in interactive advertising—the IAB launched on February 9, 2009 the Advertising Agency Advisory Board (AAB), comprised of a dozen leading voices from creative, digital and media agencies. On June 1, 2009 the board met for a second time to discuss its potential sponsorship of a Bought/Owned/Earned Media Symposium for later in the year. Members also provided valuable guidance about the need for rich-media interoperability standards. The AAB has been the topic of much industry discussion and we've received numerous requests from other senior executives to join.

IAB events continued to set records in attendance, even in challenging economic times. Total attendance for the first three events of the year is up over 30 percent from the same events in the preceding year. In addition, the IAB Digital Video Marketplace, in April 2009, and the IAB Social Media Marketplace, in May 2009, set consecutive organization records for attendance at a one-day conference. Year over year sponsorship revenue was also up more than 11 percent for these three events. The entire events team, notably directors Lisa Milgram, Virginia Rollet, and Phil Ardizzone, deserve enormous credit for delivering spectacular performance in an extremely challenging economy.



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In keeping with our strategic intent to bring the ecosystem together at our events we had on our stages senior leaders from major brands and advertising agencies—Hewlett-Packard, Interpublic Group, Pepsi, Starcom, R/GA, VivaKi, Kraft, MillerCoors, 360i, Del Monte and Reckitt Benckiser—as well as representatives from our member publishers. In addition, a new focus on incorporating “marketplace” components into our thought leadership programming has been highly successful, serving the dual purpose of commerce and education. This strategy resulted in an increase in advertisers in our audience from 30-35 percent to over 50 percent. In addition, the seniority of these advertisers grew. We now see greater attendance from SVPs/VPs at major brands and agencies, so our conferences reach marketers and agencies at the highest levels.

Marketing has been working ever more closely with IAB’s Member Services to coordinate messaging to the broader public and to our members. These efforts have come together in the embrace of social media channels, with striking results. As the year opened, the number of IAB followers on Twitter was a mere handful but grew in the period to nearly 1300. In the same time frame, fans of the IAB on Facebook shot up to 4800, an increase of more than 25%. These channels drove up the reach of our message as, for example, the IAB Social Media Metrics Definitions appeared on Twitter an impressive 735 times throughout the day of their release. We have established a member-only group on LinkedIn which has almost 650 members.

A Productive Half-Year

In conclusion, I can fairly and safely say that the Interactive Advertising Bureau has had a marvelously productive six months. That productivity has been underscored by the production of two babies by team members – Zieve Michael Mane, born in April to Sherrill; and Brianna Rose Ardizzone, born in June to Phil and Barri.

Congratulations to them – and to our entire staff. They have performed superbly in the face of a bad economy, demanding members, and challenges from legislators, regulators, agencies, and marketers.

Randall Rothenberg

President & Chief Executive Officer

June 19, 2009