
Interactive Advertising Bureau 2010 Internet Advertising Revenue Report

Sherrill Mane, SVP, Industry Services, IAB

David Silverman, Partner, PwC

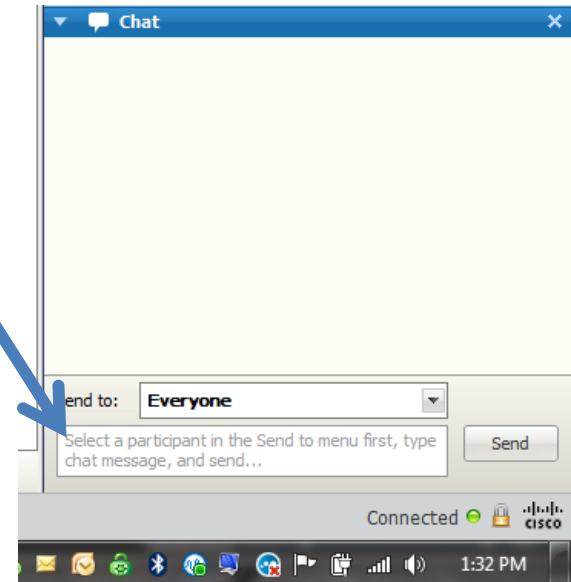
John Suhler, Founding Partner, Veronis Suhler
Stevenson

Agenda

- Welcome
- 2010 Internet Revenue Highlights
Sherrill Mane, SVP Industry Services, IAB
- Details of IAB PwC 2010 Report
David Silverman, Partner, PricewaterhouseCoopers
- Communications Industry Spending & Consumption Trends
John Suhler, Founding Partner, Veronis Suhler Stevenson
- Q and 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 **Marnie Black**, marnie@iab.net
 - Additional questions from IAB members should be directed to **Joe Laszlo**, joe@iab.net.

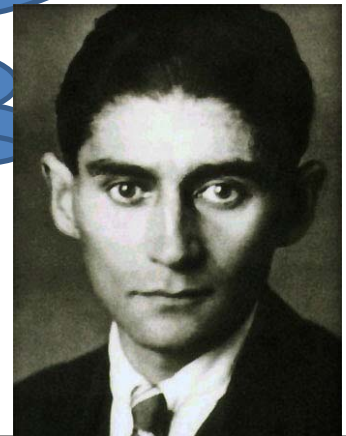


2010 Year End Internet Revenue Highlights

“I do not read advertisements - I would spend all my time wanting things”

--Franz Kafka

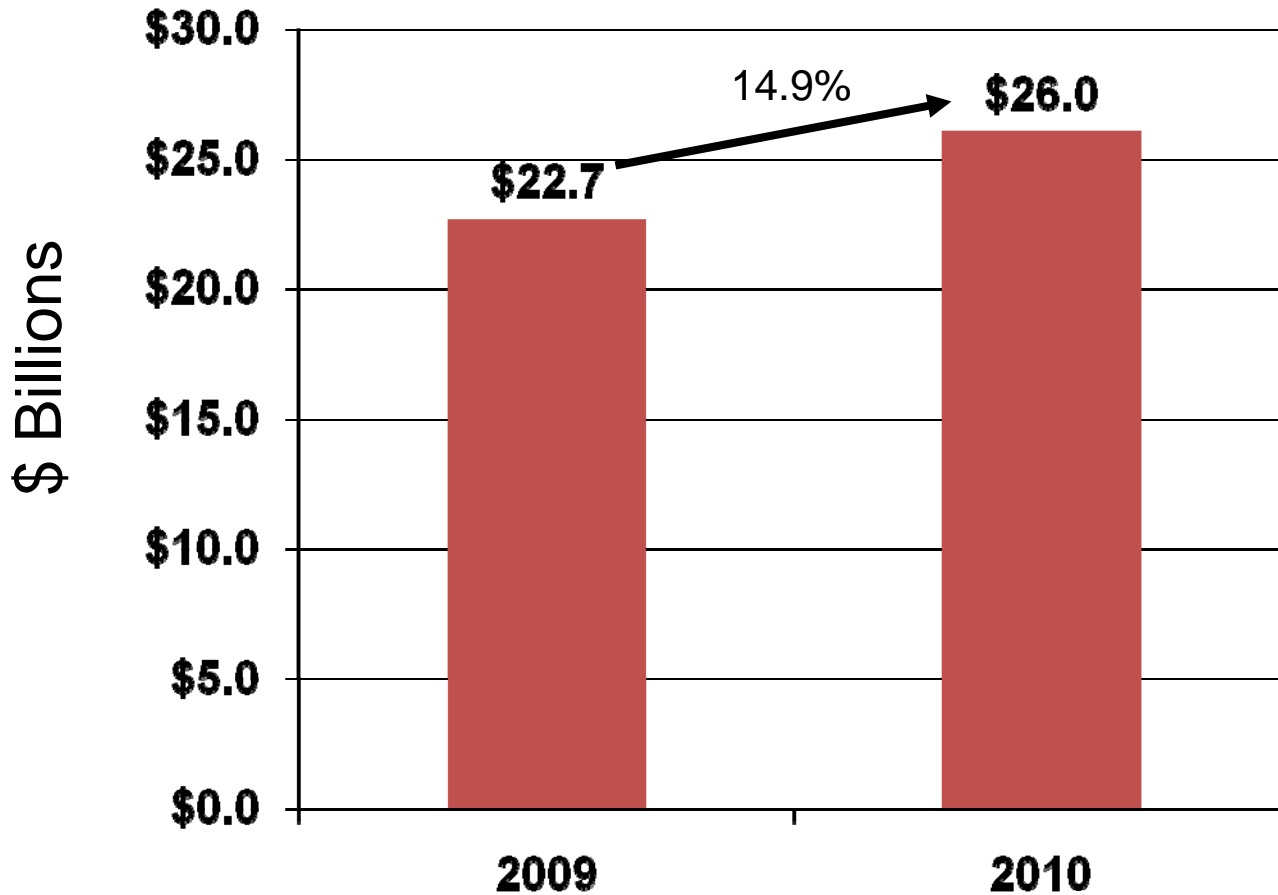
Sherrill Mane
SVP Industry Services
Interactive Advertising Bureau



2010 Was Interactive Advertising's Best Year Ever

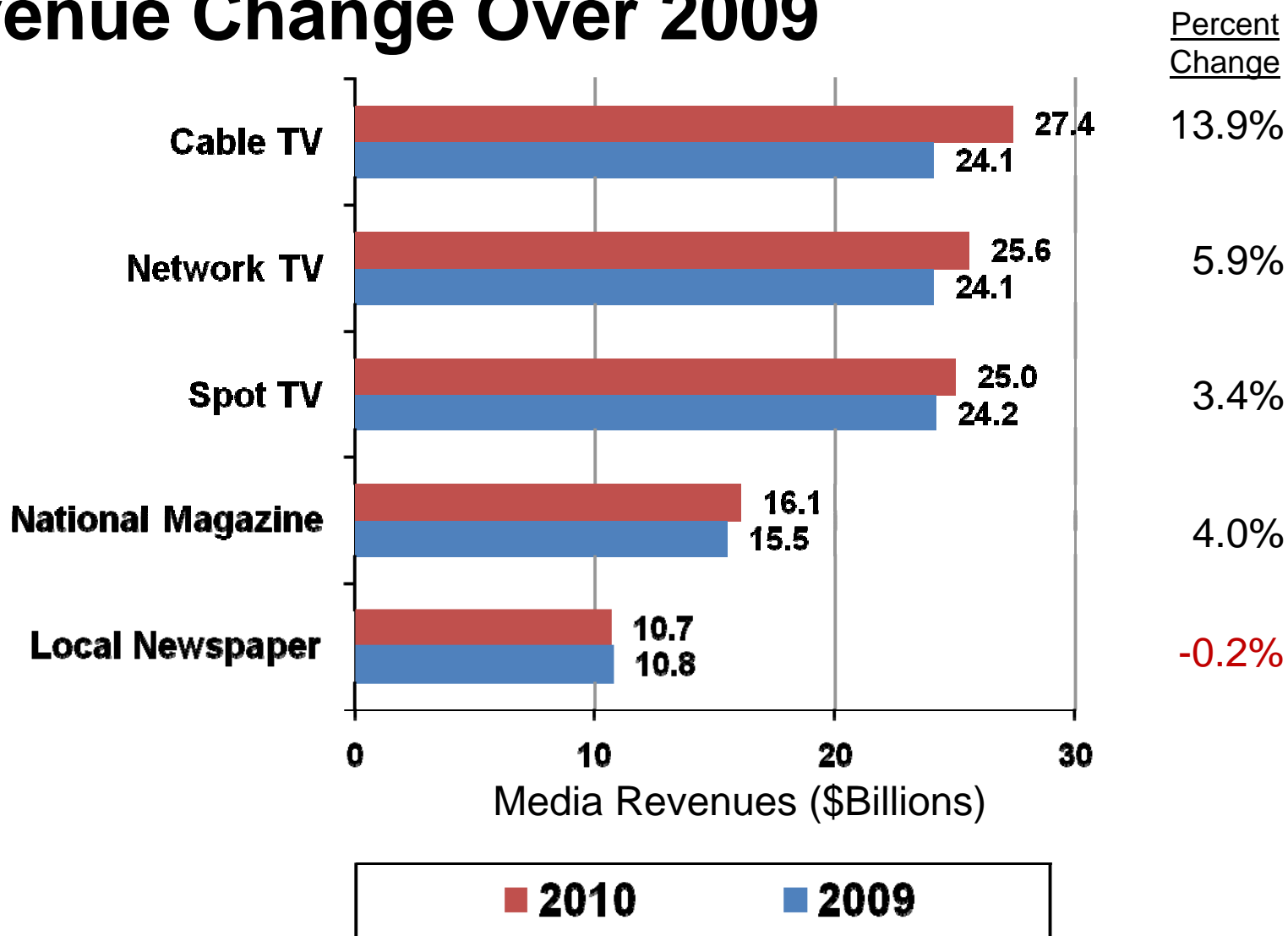
- In 2010 US Internet ad revenues totaled \$26 billion, **a record result.**
 - This represents a 15% (or \$3.4 billion) increase from 2009's \$22.7 billion.
- Second half 2010 revenue of \$13.9 billion represents the **best result ever** for US interactive advertising.
 - This is an 18% increase over same time last year (\$11.8 billion in 2H2009).
- For the first time in 4th quarter 2010, a single quarter broke \$7 billion (\$7.5 bil)
- 2010 Annual Report marks the debut of estimated US mobile ad revenue for 2010: between \$550 and \$650 million.
 - Mobile ad revenue is defined as advertising tailored to and delivered through wireless mobile devices such as smartphones (e.g. Blackberry, iPhone, Android phones), feature phones (e.g. lower-end mobile phones capable of accessing mobile content), and media tablets (e.g. iPad, Samsung Galaxy Tab).

2010 Results Compared With 2009



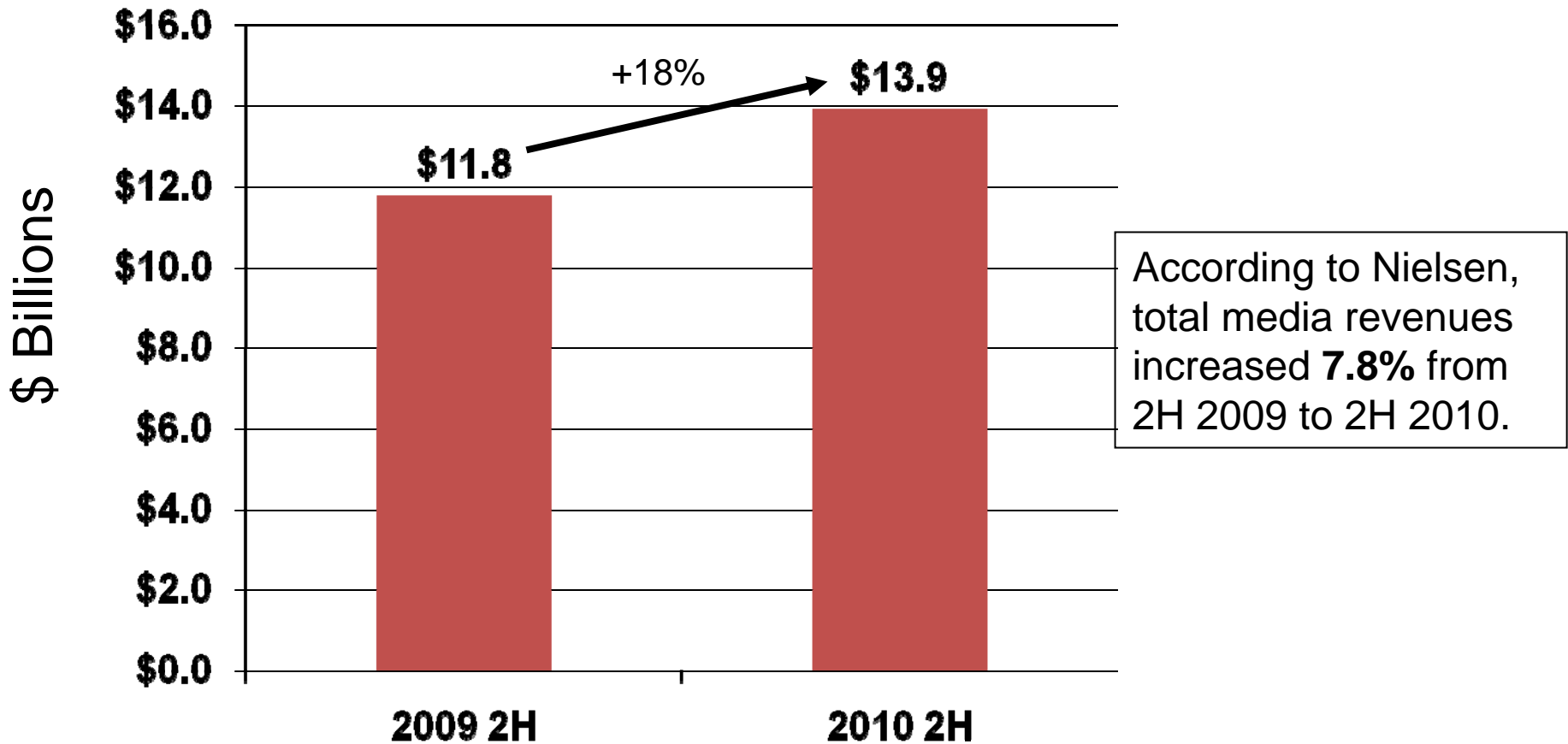
The Nielsen Company estimates total media revenues increased **5.2%** from 2009 to 2010; Kantar Media estimates a **6.5%** increase.

2010 Top Five Non-Internet Media Revenue Change Over 2009

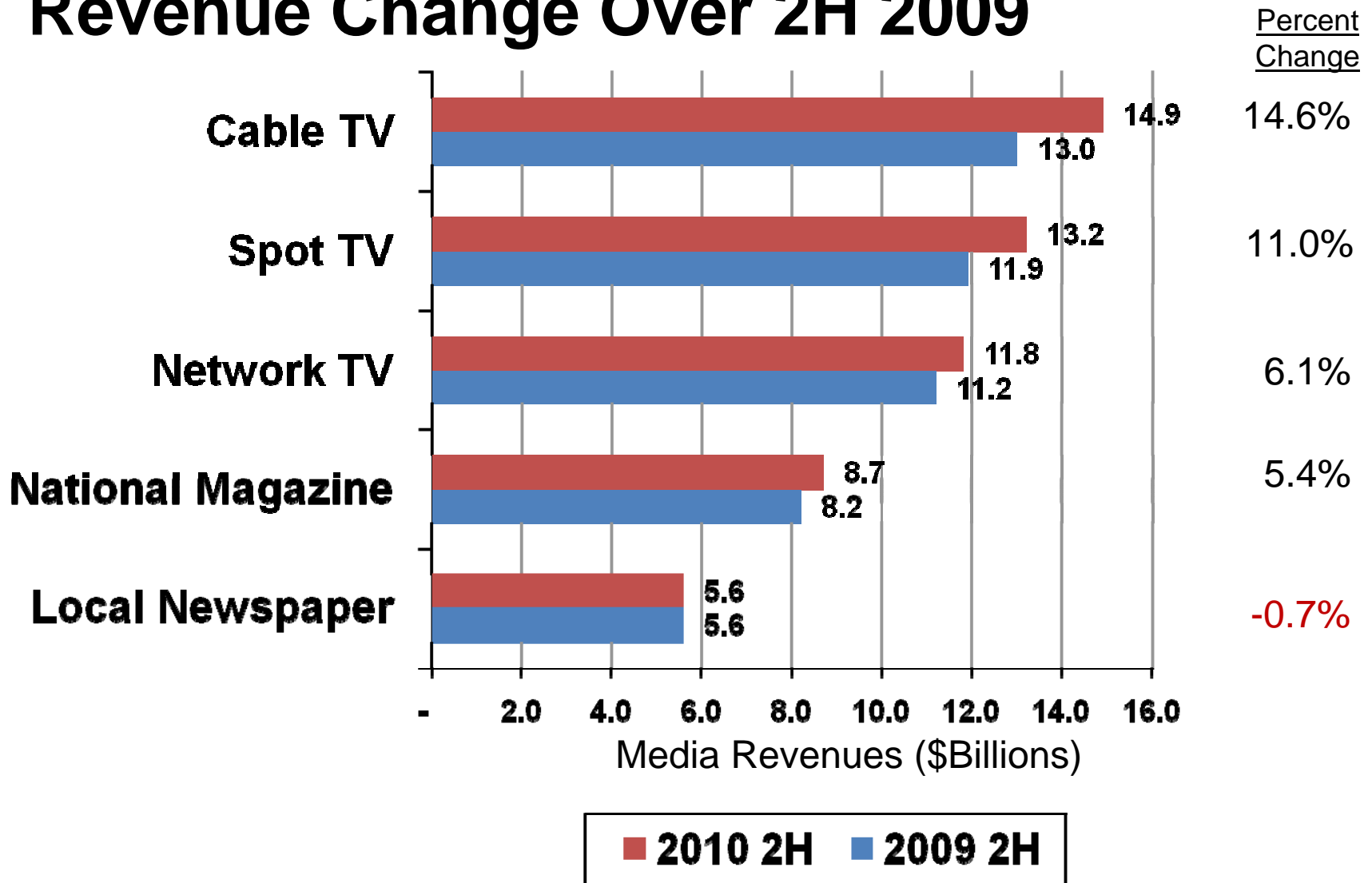


Source: The Nielsen Company, MonitorPlus, April 2011.

Second Half 2010 Results Compared With Second Half 2009



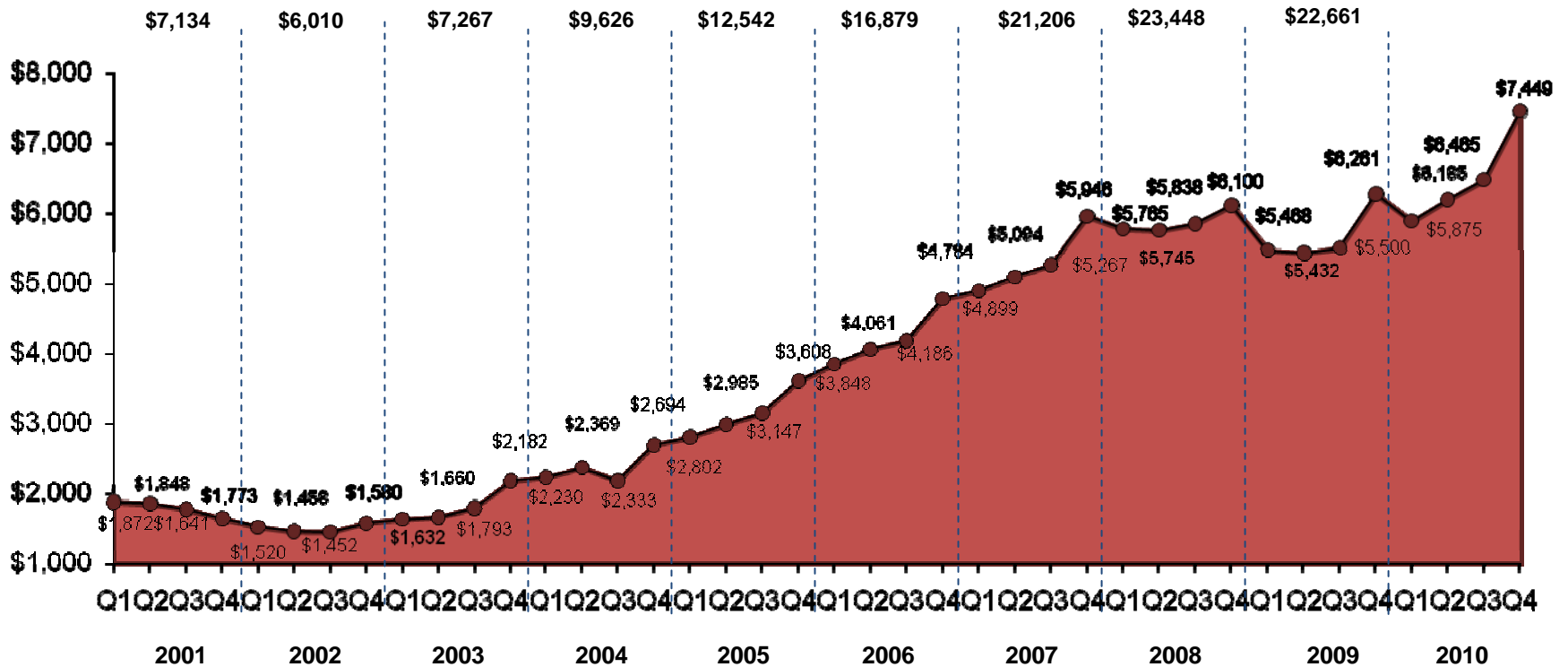
2H 2010 Top Five Non-Internet Media Revenue Change Over 2H 2009



Source: The Nielsen Company, Monitor Plus, April 2011

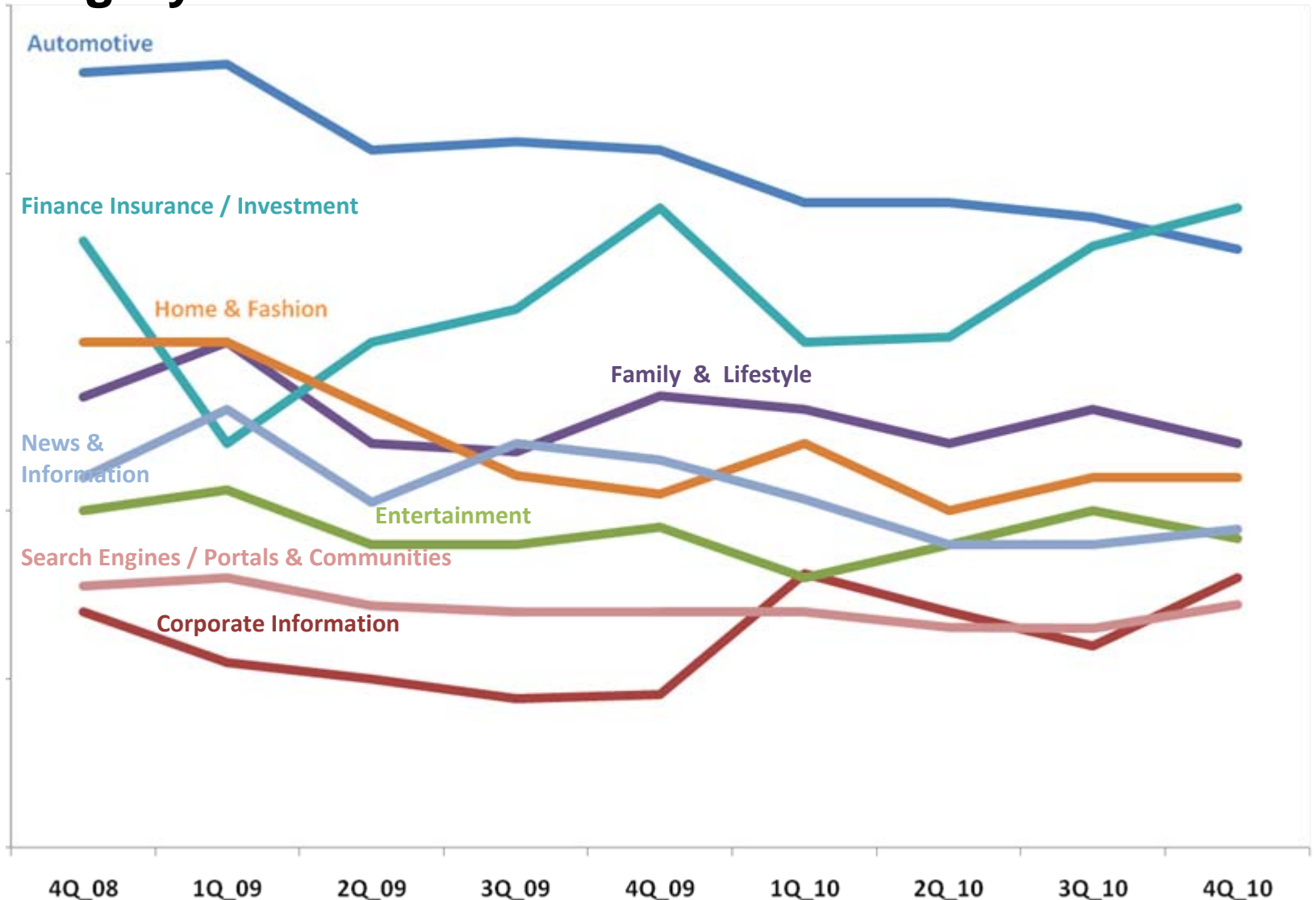
Internet Ad Revenue Long View: Largest Quarter Ever is Also the Fifth Consecutive One of Growth

Quarterly \$ Revenue Growth Comparisons — 1Q2001-4Q2010



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

Display Pricing (CPM) Trend Varies By Content Category



Source: SQAD WebCosts® Eight Category, CPM Quarterly Trend Chart, Q4 2008 through Q4 2010, January 2011, WebCosts Release

Double Digit Growth Takes Center Stage

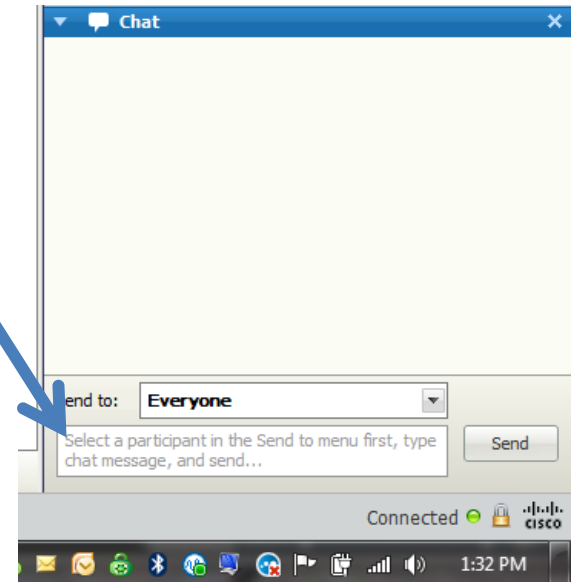
- In 2010, Display*, and Classifieds and Directories took off, up 24% and 15%, respectively, while search also enjoyed double digit growth(+12%)
- Standouts driving display-related ad formats*' revenue growth are:
 - Sponsorships, up 88%,
 - Banners, up 23%, and
 - Digital video at a 40% year to year increase
- A just released IAB study, “An Inside Look at Demand Side Perceptions of Digital Video Advertising” shows that marketers and advertisers expect 22% growth in spending in the coming year.
- ***A footnote on reporting: Sellers of mobile advertising, we call upon you to recognize the value of an accurate, independent, authoritative market sizing of the industry and lend greater support to this research.***

Details of Full Year 2010 IAB Internet Advertising Revenue Report

David Silverman,
Partner, PricewaterhouseCoopers

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 **Marnie Black, marnie@iab.net**
 - Additional questions from IAB members should be directed to **Joe Laszlo, joe@iab.net.**



THANK YOU

UPCOMING IAB EVENTS

- IAB Case Study Road Show and IAB.networking, 14 April, San Francisco
- Networks & Exchanges: IAB Marketplace, 16 May, New York
- IAB Innovation Days, 8-9 June, New York
- Mobile: IAB Marketplace, 18 July, New York

See: www.iab.net/events