

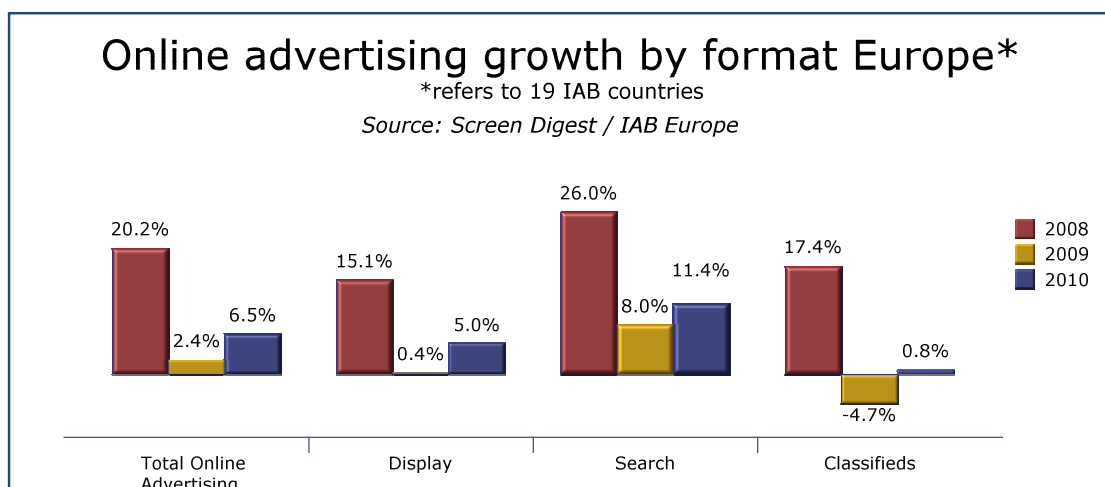


IAB EUROPE PUBLISHES ITS FIRST EVER ONLINE ADVERTISING FORECASTS BASED ON ACTUAL SPEND IN 19 EU MARKETS

Search continues to dominate as untested emerging formats suffer in recession

London 20th August 2009: The latest edition of IAB Europe's annual AdEx Report has just been published. For the first time it includes forecasts based on the actual ad spend data for 19 countries prepared by the advertising analysts at research partner Screen Digest.

In 2008 online advertising grew 20% compared to the previous year. However, some of the most mature and recession-stricken markets - the UK, the Netherlands, Norway and Sweden – were already experiencing a significant slowing of growth whilst underdeveloped markets enjoyed double-digit growth rates. The report predicts that this 'pause for breath' in the online ad economy will end in 2010 when the market will begin to thaw, resuming its growth trend.

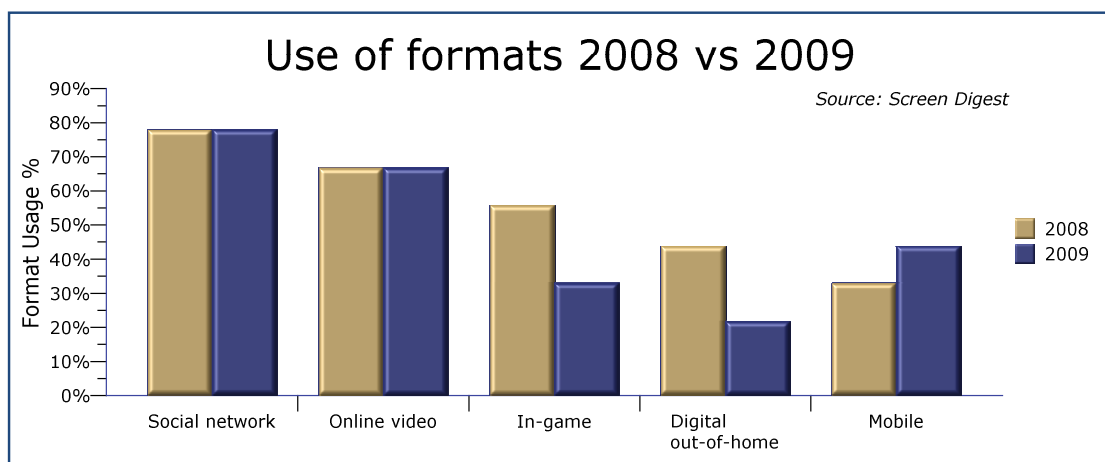


Format wars

According to the analysis, search will be the most resilient format, retaining its dominant position in Europe, growing 8% in 2009 and representing almost half (46%) of the total online ad market in the region. By comparison online display will slow, hit by a drop in branding advertising and falling rates, like all other display advertising media. It will merely experience an average growth rate of 0.4% across Europe, with several markets – the UK in particular – being down by high-single digit. Classifieds are stuck between opposing forces: on the one hand, the weakness in the property, job and car market has impacted revenues and, on the other, online publishers are taking revenue away from newspapers as print classifieds move online. Despite this migration, overall the market for classifieds will decline, down to -4.7% in 2009 (see Chart 1).

Emerging formats – eschewed in current economic conditions

Screen Digest carried out a survey of major European advertisers for IAB Europe in May 2009. 70% said they were planning to spend more money advertising online in the current year, although overall ad spend would be down double-digit. The research also indicated that whilst emerging digital formats such as social media, in-game and mobile advertising are appealing, in the short term most advertisers and planners will opt for tried and tested formats such as search, 'traditional' advertising and, increasingly, video display. Search in particular will benefit from this trend because of it can deliver measurable results that impact the bottom line.



The following was a typical response: *“If we are looking at an emerging format we have used in the past and had success with, we will increase spending on it this year. If on the other hand it is a medium we have not used, we are not going to experiment with it in these difficult economic conditions.”*

Mobile advertising bucks the trend

Mobile advertising is the more advanced of the emerging formats included in the report and, unlike the others covered, it will grow this year. Compared to display and search formats, the mobile platform opens up a whole new world of opportunities, such as location-based advertising and social networking. New formats specifically designed for mobile are starting to appear – for instance sponsored, free downloadable apps for iPhones and other smartphones that allow brands to engage in a relevant and friendly way with users.

The following comment from one of the advertisers interviewed for this report underlines the perceived potential of mobile advertising; *“Mobile suffered quite a few false starts that eroded confidence in the medium. But 2009 may finally be the long-awaited breakthrough as mobile internet has become affordable and the quality of handsets is finally where it should be.”*

Alain Heureux, President and CEO of IAB Europe says “Having accurate, comparable figures for online advertising in 19 European markets for 2006 to 2008 is something of which we are very proud. The addition of a forward-looking section will enable our members and the industry as a whole to get a more complete picture of where this dynamic industry of ours is headed in the medium term.”

Vincent Létang, Head of Advertising at Screen Digest says “All advertising markets have suffered over the past year and online is no exception. We are seeing a high level of caution in the use of emerging formats, but in the longer term we expect online video, in-game and mobile advertising to be an important part of the online ad economy.”

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Note to Editors: The data is compiled by IAB Europe based on information provided by the regional IAB offices around Europe. It is then processed and analyzed by PricewaterhouseCoopers. The report includes market size and value information for the full membership of the IAB Europe in 2008 including Austria, Belgium, Croatia, Denmark, Finland, France, Germany, Greece, Hungary, Italy, the Netherlands, Norway, Poland, Slovenia, Romania, Spain, Sweden, Turkey and the UK. Croatia, Hungary, and Romania were new to the research in 2008 so no comparative figures are available.

About this report

IAB Europe's AdEx Report is the definitive guide to the online advertising market in Europe. Since 2006 it has provided comparable data for the market. In 2008 the report covered the 19 markets listed in the Note to Editors. All data is audited by PricewaterhouseCoopers. The 45 page long report includes growth rates and market values by country and format (display, classifieds, search and email), trends over time from 266, comparisons to traditional advertising formats using WARC data and internet penetration data from AD Europe. For the first time, Screen Digest forecasts and analysis of emerging formats including mobile, in-game advertising and online video and audience measurement statistics from Nielsen Online and comScore are provided. Published in August 2009, the Report is available to non-members of IAB Europe for €1500. For more information or to purchase a copy, please email membership@iabeurope.eu

About IAB Europe

IAB Europe is a federation of national Interactive Advertising Bureaux (IAB) across Europe. Its mission is to promote the growth of the interactive advertising markets on behalf of its clients and national members. Supported by every major media group, advertisers, agency, portal, technology and service provider, its voice represents the interest of more than 5000 company members. IAB Europe coordinates activities across the region including public affairs, benchmarking, research, setting standards and best practices. The member countries are Austria, Belgium, Croatia, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania,

Slovenia, Spain, Sweden, Switzerland, Turkey and the UK. Our corporate members include Alcatel-Lucent, BBC.com, BusinessWeek, comScore, Ernst & Young, Goldbach Media Group, Google, Hi-Media, InSites Consulting, Koan, Microsoft Europe, Netlog, News Corporation, Nugg.ad, Nielsen Online, Orange Advertising Network, Publicitas Europe, Sonnenschein, Truvo and United Internet Media.www.iabeurope.eu

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