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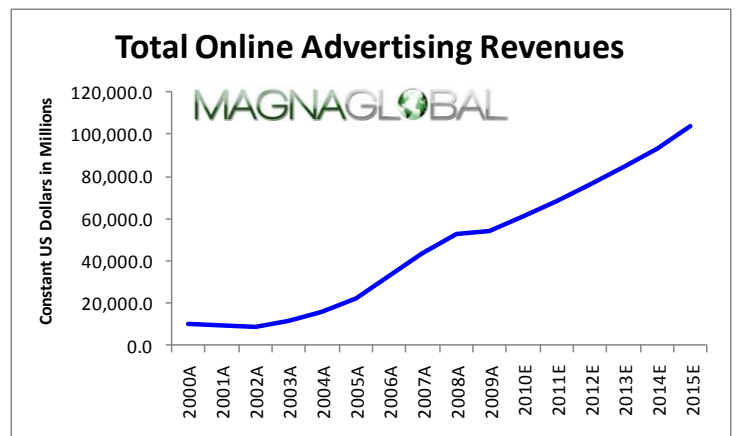
MAGNAGLOBAL ONLINE ADVERTISING FORECAST:

RAPID GROWTH LEADS INDUSTRY TO EXCEED \$100 BILLION BY 2015

New York, June 7, 2010 – MAGNAGLOBAL, a division of IPG’s Mediabrand, has released an updated forecast for online advertising.

The presence of millions of businesses, billions of consumers, and hundreds of billions in e-commerce activity around the world make the Internet increasingly important to marketers with every passing day. In this context, **we forecast that global online advertising will rise by 12.4% in constant currency terms during 2010, to \$61.0 billion dollars globally.**

The havoc wrought on currency markets around the world over the past year means that in dynamic currency terms (accounting for actual and expected changes in currencies over the course of 2009 and 2010) online advertising will grow during 2010 by 13.0% in US Dollar terms or by 21.1% in Euros. This metric is important from the perspective of a publisher or advertiser who does not hedge their currency exposures from year-to-year.



Paid Search has quickly become the most important component of online advertising, and in 2010 this segment will account for \$29.8 billion, up by 16.5% over 2009 totals on a constant currency basis. Google remains by far the global leader in Search, although a handful of other suppliers of search advertising are dominant in certain countries. Unfortunately for Google, China and Russia – the fastest growing large markets for online advertising – pose a challenge for foreign-based search engines. Separate government actions have led to Google closing its operations in those countries. However, domestic players (Baidu and Yandex in particular) have instead become dominant. The enormous influence – and profitability – of Paid Search increases the probability of governmental involvement in many countries in the years ahead. Such actions are unlikely to constrain the medium’s growth.

All other online advertising will account for \$31.2 billion, up by 8.7% in constant currency terms. Other online advertising is much more diffused, with a handful of global portals, such as Yahoo and Microsoft, and many regionally strong publishers (often associated with print publications) capturing most of that sector’s revenue. Although they provide an important constraint on inflationary conditions, advertising networks retain their importance to advertisers given their ability to aggregate and monetize vast quantities of inventory in an inexpensive manner. Social networking sites such as Facebook capture a large and growing share of audience time. While advertising is becoming increasingly important for social networks – and is undoubtedly growing much more rapidly than the rest of online advertising – they generally punch “below weight” given the premium pricing that conventional content publishers can extract from their inventory.



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These trends should continue over the next five years, and **we expect online advertising to collectively grow by 11.7% in 2011 and by an average rate of 11.0% through 2015**. At this time the global industry will generate \$103 billion dollars in constant dollars (ignoring changes in currencies).

By region, we expect Latin America to be the fastest growing region, with \$3.5 billion of total supplier advertising revenue in 2015 on an average rate of 13.3% growth over the next five years. Among specific countries, and notwithstanding current political turmoil, Thailand will be the fastest growing online advertising market off of a very low 2010 base. Among larger markets, China and Russia will post the fastest sustained rates of growth over the next five years.

The ongoing global economic recovery (and subsequently improved expectations for economic activity in most countries) has contributed some modest uplift to our prior expectations of growth, but secular factors are the primary cause of this rapid and sustained pace of development.

Importantly, **industry growth is not directly caused by increasing numbers of consumers online** nor by rising levels of time spent online. Indeed, increased time may be correlated with decline in some areas. For example: news production is commoditized and its economics are weakened by the ready availability of wire service content; Craigslist has contributed to the decimation of the classified industry; Wikipedia – and Encarta before it – led to a contraction in the encyclopedia business.

Instead, **the secular factors we identify as driving growth include:**

- **The rising numbers of businesses** – many of them small, others simply highly niche oriented and yet others who are endemic to the Internet, such as Amazon and eBay – who find online media to be the single most effective platform to accomplish their business goals.
- **Competitive intensity between advertisers** within similar brand-categories – especially those which rely on online advertising – as share of voice strategies remain common in directing advertising budget allocations online and offline.
- **The increasing presence of large brands** who otherwise prioritize television advertising. While these advertisers continue to rely on television for awareness-based objectives, they are emphasizing online activities for deeper engagement. Online budgets from these advertisers generally come at the expense of print and radio.

These factors establish a very deep foundation for online advertising. The latter group of advertisers – brand-centric, television-dominant advertisers – is particularly critical for online advertising, supporting much of the format innovation which will reinforce growth in the years ahead.

One innovative area receiving much attention at the present time is mobile advertising. While mobile clearly represents a growth opportunity, this will continue to be a modestly sized segment of the digital media eco-system as long as different segments of marketers have alternative media vehicles which better meet their business objectives. However, as m-commerce (such as ring-tone sales) and mobile marketing (such as a personal banking application) become more prevalent, an endemic ecosystem will gradually emerge, followed shortly thereafter by growing volumes of advertising revenues.

Our updated industry model with country-specific and global data sets are now available. Please contact MAGNAGLOBAL for additional details

MAGNAGLOBAL		GLOBAL ONLINE ADVERTISING FORECAST																
(MM 2009USD constant currency)		2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010E	2011E	2012E	2013E	2014E	2015E	2010-2015 CAGR
North America																		
Paid Search		117.3	289.3	933.9	2,647.4	3,930.8	5,334.3	7,095.6	9,173.3	11,040.5	11,213.8	13,054.8	14,723.8	16,235.3	18,010.5	20,004.9	22,274.5	11.3%
• Annual Growth / Decline		-----	146.6%	222.8%	183.5%	48.5%	35.7%	33.0%	29.3%	20.4%	16%	16.4%	12.8%	10.3%	10.9%	11.1%	11.3%	
• % of Total Internet		14%	4.0%	5.2%	35.4%	40.1%	40.9%	40.1%	41%	44.3%	46.3%	48.0%	48.6%	48.7%	49.0%	49.2%		
Other Online		8,034.9	6,919.0	5,227.2	4,824.5	5,862.9	7,707.6	10,591.6	13,166.4	13,886.7	12,997.4	14,143.9	15,597.9	17,193.2	18,960.9	20,851.3	22,963.3	10.2%
• Annual Growth / Decline		-----	-13.9%	-24.5%	-7.7%	215%	315%	37.4%	24.3%	5.5%	-6.4%	8.8%	10.3%	10.2%	10.3%	10.0%	10.1%	
• % of Total Internet		98.6%	96.0%	84.8%	64.6%	59.9%	59.1%	59.9%	58.9%	55.7%	53.7%	52.0%	51.4%	51.3%	51.0%	51.0%	50.8%	
Total Internet		8,152.2	7,208.4	6,161.2	7,471.9	9,793.7	13,041.9	17,687.1	22,339.7	24,927.2	24,211.3	27,198.7	30,321.8	33,428.5	36,971.5	40,856.2	45,237.8	10.7%
• Annual Growth / Decline		-----	-116%	-14.5%	213%	31%	33.2%	35.6%	26.3%	116%	-2.9%	12.3%	115%	10.2%	10.6%	10.5%	10.7%	
APAC																		
Paid Search		33.0	50.9	120.4	263.7	556.1	1,156.1	1,847.9	2,871.6	4,015.7	4,735.6	5,644.9	6,668.7	7,684.8	8,857.4	10,242.0	11,862.3	16.0%
• Annual Growth / Decline		-----	54.1%	166.5%	119.0%	10.9%	107.9%	59.8%	55.4%	39.8%	17.9%	19.2%	18%	15.2%	15.3%	15.6%	15.8%	
• % of Total Internet		4.3%	6.1%	118%	19.3%	27.0%	34.3%	39.9%	43.0%	40.5%	44.4%	47.1%	48.9%	50.7%	52.3%	53.8%	55.2%	
Other Online		732.6	784.3	900.6	1,103.0	1,502.9	2,211.0	2,786.4	3,802.1	5,901.8	5,924.1	6,329.5	6,973.8	7,483.4	8,093.4	8,809.8	9,627.4	8.7%
• Annual Growth / Decline		-----	7.1%	14.8%	22.5%	36.3%	47.1%	26.0%	36.5%	55.2%	0.4%	6.8%	10.2%	7.3%	8.2%	8.9%	9.3%	
• % of Total Internet		95.7%	93.9%	88.2%	80.7%	73.0%	65.7%	60.1%	57.0%	59.5%	55.6%	52.9%	51%	49.3%	47.7%	46.2%	44.8%	
Total Internet		765.6	835.2	1,021.0	1,367.7	2,059.0	3,367.2	4,634.3	6,673.6	9,917.6	10,659.7	11,974.3	13,642.5	15,168.2	16,950.8	19,051.8	21,489.7	12.4%
• Annual Growth / Decline		-----	9.1%	22.2%	33.9%	50.7%	63.5%	37.6%	44.0%	48.6%	7.5%	12.3%	13.9%	11.2%	11.8%	12.4%	12.8%	
EMEA																		
Paid Search		56.1	108.1	191.6	466.6	994.8	2,232.0	4,224.8	6,000.6	7,776.3	8,622.8	9,953.7	11,062.9	12,500.2	14,059.4	15,655.8	17,364.2	11.8%
• Annual Growth / Decline		-----	92.5%	77.3%	143.5%	112.2%	124.4%	89.3%	42.0%	29.6%	10.9%	15.4%	11%	13.0%	12.5%	11.4%	10.9%	
• % of Total Internet		4.2%	7.7%	119%	20.7%	29.6%	38.8%	43.9%	43.5%	46.3%	48.5%	49.8%	50.2%	51.0%	51.8%	52.4%	53.0%	
Other Online		1,275.6	1,293.0	1,419.9	1,788.1	2,365.6	3,520.1	5,396.8	7,783.1	9,022.9	9,163.4	10,025.5	10,965.5	12,017.9	13,066.2	14,193.6	15,375.4	8.9%
• Annual Growth / Decline		-----	14%	9.8%	25.9%	32.3%	48.8%	53.3%	44.2%	15.9%	16%	9.4%	9.4%	9.6%	8.7%	8.6%	8.3%	
• % of Total Internet		95.8%	92.3%	88.1%	79.3%	70.4%	61.2%	56.1%	56.5%	53.7%	51.5%	50.2%	49.8%	49.0%	48.2%	47.6%	47.0%	
Total Internet		1,331.8	1,401.1	1,611.6	2,254.7	3,360.5	5,752.1	9,621.6	13,783.7	16,799.2	17,786.2	19,979.2	22,028.4	24,518.2	27,125.7	29,843.4	32,739.6	10.4%
• Annual Growth / Decline		-----	5.2%	15.0%	39.9%	49.0%	71.2%	67.3%	43.3%	21.9%	5.9%	12.3%	10.3%	11.3%	10.6%	10.0%	9.7%	
Latin America																		
Paid Search		15.7	28.7	53.6	90.8	157.7	216.3	349.6	613.5	915.9	992.4	1,138.0	1,310.1	1,466.2	1,641.2	1,841.9	2,068.2	12.7%
• Annual Growth / Decline		-----	82.3%	86.9%	69.3%	73.7%	37.2%	61.6%	75.5%	49.3%	8.4%	14.7%	15.1%	11.9%	11.9%	12.2%	12.3%	
• % of Total Internet		24.3%	33.3%	41.9%	47.4%	53.7%	56.4%	58.9%	63.0%	66.1%	61.8%	61.8%	61.8%	61.3%	60.9%	60.5%	60.2%	
Other Online		49.0	57.6	74.3	100.8	136.1	167.4	243.6	360.8	468.7	613.9	703.5	811.2	926.3	1,054.2	1,201.9	1,368.3	14.2%
• Annual Growth / Decline		-----	17.6%	29.0%	35.7%	35.0%	23.0%	45.5%	48.1%	29.9%	31.0%	14.6%	14.2%	14.2%	13.8%	14.0%	13.8%	
• % of Total Internet		75.7%	66.7%	58.1%	52.6%	46.3%	43.6%	41.1%	37.0%	33.9%	38.2%	38.2%	38.2%	38.7%	39.1%	39.5%	39.8%	
Total Internet		64.7	86.3	127.9	191.6	293.8	383.7	593.2	974.3	1,384.6	1,606.3	1,841.5	2,121.3	2,392.4	2,695.4	3,043.8	3,436.5	13.3%
• Annual Growth / Decline		-----	33.3%	48.2%	49.8%	53.3%	30.6%	54.6%	64.2%	42.1%	16.0%	14.6%	15.2%	12.8%	12.7%	12.9%	12.9%	
GLOBAL																		
Paid Search		222.2	477.0	1,299.6	3,468.5	5,639.5	8,938.7	13,517.8	18,658.9	23,748.4	25,564.6	29,791.3	33,765.5	37,886.5	42,568.5	47,744.7	53,569.2	12.5%
• Annual Growth / Decline		-----	114.7%	172.5%	166.9%	62.6%	58.5%	51.2%	38.0%	27.3%	7.6%	15.5%	13.3%	12.2%	12.4%	12.2%	12.2%	
• % of Total Internet		2.2%	5.0%	14.6%	30.7%	36.4%	39.6%	41.5%	42.6%	44.8%	47.1%	48.8%	49.6%	50.2%	50.8%	51.4%	52.1%	
Other Online		10,092.1	9,053.9	7,622.0	7,816.4	9,867.5	13,606.2	19,018.4	25,112.3	29,280.2	28,698.9	31,202.4	34,348.5	37,620.7	41,174.8	45,056.6	49,334.4	9.6%
• Annual Growth / Decline		-----	-10.3%	-15.8%	2.6%	26.2%	37.9%	39.8%	32.0%	16.6%	-2.0%	8.7%	10.1%	9.5%	9.4%	9.4%	9.5%	
• % of Total Internet		97.8%	95.0%	85.4%	69.3%	63.6%	60.4%	58.5%	57.4%	55.2%	52.9%	51.2%	50.4%	49.8%	49.2%	48.6%	47.9%	
Total Internet		10,314.3	9,530.9	8,921.6	11,284.9	15,507.0	22,544.9	32,536.2	43,771.2	53,028.6	54,263.5	60,993.7	68,113.9	75,507.3	83,743.3	92,801.3	102,903.6	11.0%
• Annual Growth / Decline		-----	-7.6%	-6.4%	26.5%	37.4%	45.4%	44.3%	34.5%	21.1%	2.3%	12.4%	11.7%	10.9%	10.9%	10.8%	10.9%	