



INTERNET MARKETING TRENDS REPORT 2013 UK & EUROPE

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Source of all statistics:





Move Over Traditional Media - Digital Advertising is Still on the Rise

And Marketers Aren't Scared to Invest in Mobile

With the Internet now a mainstream medium, statistics indicate that the UK and Europe online population remains steady with a minor year over year increase in penetration. Total media advertising spend continues to rise at a stable rate as well, though the changes aren't groundbreaking.

What is noteworthy though is the amplified share that digital advertising is taking from traditional channels. Internet marketing activities such as paid search, display advertising, organic search and social media continue to see increased spend among UK and European businesses. As digital advertising takes a larger chunk out of total media ad spend, naturally traditional channels will have to suffer a loss.

Another remarkable finding is businesses aren't scared to invest more dollars into mobile marketing. Mobile ad spend is projected to increase substantially over the next few years. This confidence likely stems from studies that show consumers don't mind seeing digital media ads as long as they are relevant and helpful. It's no surprise that mobile advertising is seeing considerably strong increases in spend. Businesses are grasping this exciting opportunity to invest in a channel that's targeted and measurable.

This Internet Marketing Trends Report is a brief summary of the current online marketing climate in the UK and Europe, as well as predictions for the next few years. Specifically, the report covers Internet usage and penetration, total media advertising, digital advertising, social media trends and the healthy increases in mobile advertising.

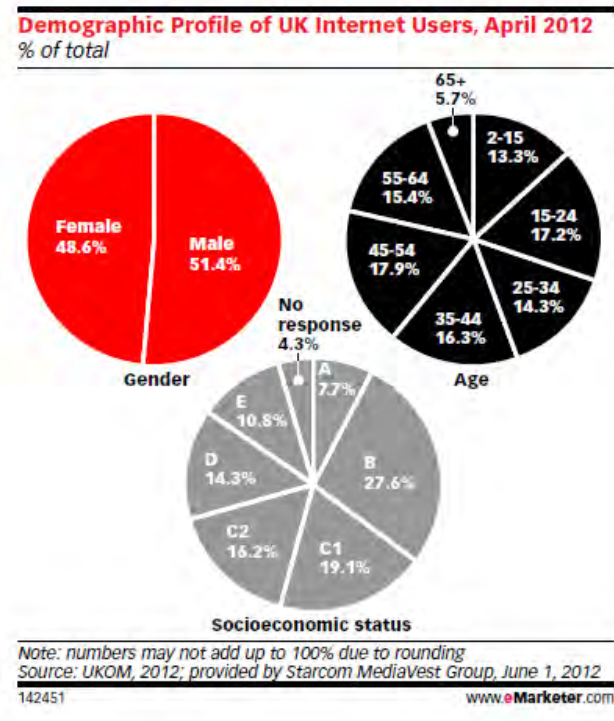
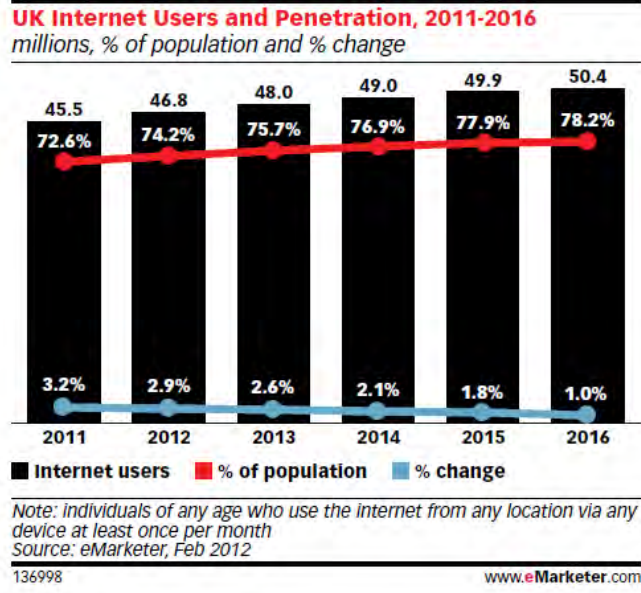
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UK Internet Users Projected to Rise Steadily

- Internet usage in the UK is on the rise with 48 million web users in 2013, accounting for 75.7% of the entire population
- This is expected to increase by 2.1% in 2014 as 49 million UK residents will become Internet users
- By 2015, 78% of the UK population will go online, a 1.8% increase over the previous year
- In 2016, UK will see 50.4 million Internet users, accounting for 78% of the total population

Demographic Profile of UK Internet Users

- The gender split among UK Internet users is relatively even with 51.4% being males and 48.6% females
- Similarly, the age groups among the online population appear to be quite evenly divided as well, ranging within the mid-teen percentages
- 17.2% of Internet users in the UK are between the ages of 15-24, while 14.3% are aged 25-34
- On the other hand, 16.3% of the UK online population are 35-44 years old, and 17.9% are between 45-54

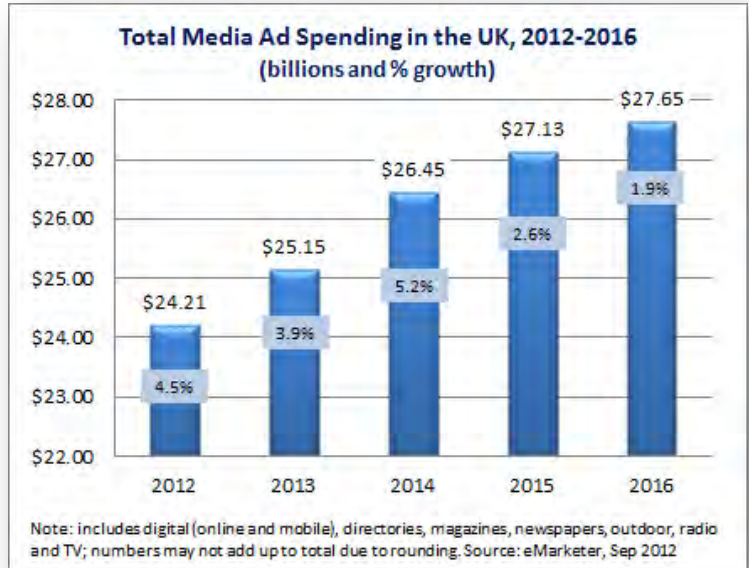


Advertising Spend Across All Media Expected to Increase

- This year, UK marketers are expected to spend \$25.15 billion advertising, a 3.9% increase over 2012
- In 2014, UK advertising spend will rise by 5.2% to reach \$26.45 billion across all media channels
- Total media ad spend is projected to increase by another 2.6% in 2015 to \$27.13 billion
- By 2016, up to \$27.65 billion will be spent advertising in the UK, a projected increase of 1.9% over the previous year

Online and TV Advertising Continue to Dominate

- Internet advertising is becoming increasingly popular in the UK
- Online ad spend surpassed TV ad spend for the first time in 2011 (\$6.4 vs \$5.3 billion respectively)
- This trend is expected to continue as Internet advertising will see more ad dollars than TV in 2013 (\$7.7 for online vs \$5.4 billion for television)
- Meanwhile, other traditional advertising channels such as newspaper, magazines, outdoor and radio will see a decrease or no change between 2012 and 2014



UK Ad Spending, by Media, 2005-2014

millions

	2005	2010	2011	2012	2013	2014
Internet*	\$1,862	\$5,507	\$6,377	\$7,036	\$7,732	\$8,509
TV	\$5,539	\$5,223	\$5,275	\$5,301	\$5,407	\$5,515
Newspapers	\$6,685	\$4,404	\$4,036	\$3,969	\$3,972	\$3,943
Magazines	\$2,577	\$1,463	\$1,341	\$1,315	\$1,320	\$1,314
Outdoor	\$1,222	\$1,199	\$1,207	\$1,266	\$1,279	\$1,292
Radio	\$836	\$713	\$725	\$743	\$750	\$758
Cinema	\$215	\$248	\$240	\$245	\$256	\$265
Total	\$18,934	\$18,758	\$19,202	\$19,876	\$20,717	\$21,595

Note: converted at the exchange rate of US\$1=£0.62; numbers may not add up to total due to rounding; *classifieds, display and paid search
Source: ZenithOptimedia, "Advertising Expenditure Forecasts," June 2012; provided by Starcom Mediavest Group, June 2012

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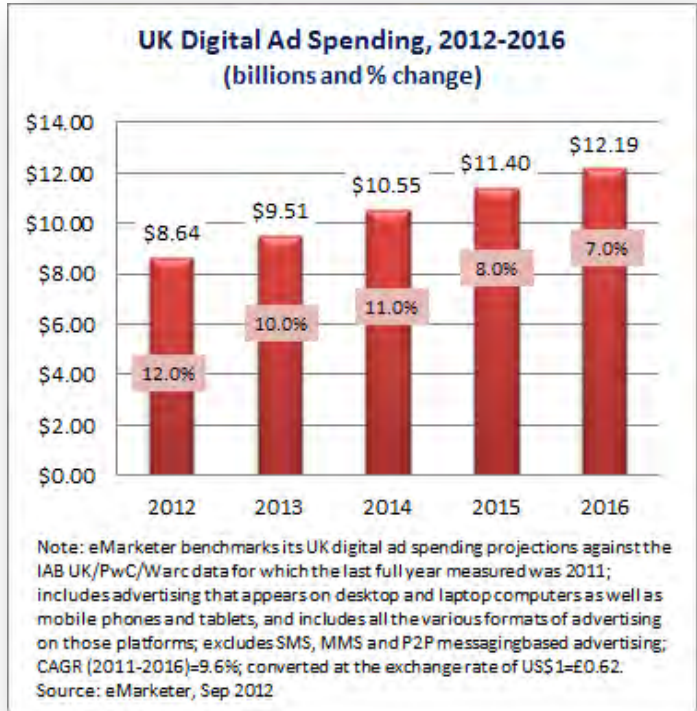
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UK Digital Ad Spending Will Increase Year Over Year

- In 2013, UK marketers are expected to spend \$9.51 billion advertising through digital channels, a 10% increase from last year
- Next year, digital advertising will grow by 11% to reach \$10.55 billion
- Digital advertising spend will reach \$11.4 billion in 2015, an increase of 8% over the previous year
- eMarketer predicts that by 2016, UK businesses will spend \$12.19 billion advertising on digital media

UK Digital Ad Spending per Internet User

- When reviewing the digital ad spend per Internet user in the UK, eMarketer reported in 2012, \$187.96 was spent advertising per user
- According to the same study, this year UK digital ad spending per Internet user will increase to \$201.59
- Digital ad spend per user is expected to trend upward at a gradual rate year over year
- In 2015, \$232.46 will be spent per Internet user, while in 2016 this number will increase to \$246.34



UK Digital Ad Spending per Internet User, 2010-2016



Note: eMarketer benchmarks its UK digital ad spending projections against IAB UK/PwC/Warc data, for which the last full year measured was 2011; includes categories as defined by IAB UK/PwC/Warc (banners, classifieds, email [embedded ads only], lead generation, rich media, search, sponsorships and video); includes mobile ads within the existing formats; converted at the exchange rate of US\$1=£0.62
Source: eMarketer, Nov 2012

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Digital Ad Spend Will Grow Steadily in All Formats

- Though search and display will continue to see more advertising dollars in comparison to other digital channels, all formats will increase in spend between 2013 and 2016
- Search advertising spend will reach \$5.36 billion in 2013, while display advertising will see \$2.4 billion
- In 2014, \$5.92 billion will be spent on search advertising, while \$2.72 billion will be allocated to display

How UK Internet Users React to Online Ads

- Over half of Internet users (59%) would rather see a low number of relevant ads online than a high number of less relevant ads
- 45% of Internet users said that most of the ads they see on the sites they visit are completely random
- So it makes sense that 55% of them would rather see advertising online that is relevant to their interests
- The same share of Internet users (55%) would be happy to see relevant ads if it means the sites they visit offer quality content
- 45% of respondents would be happy to see relevant ads based on their previous web browsing activities

UK Digital Ad Spending, by Format, 2010-2016

billions

	2010	2011	2012	2013	2014	2015	2016
Search	\$3.78	\$4.46	\$4.91	\$5.36	\$5.92	\$6.33	\$6.72
Display	\$1.52	\$1.82	\$2.14	\$2.40	\$2.72	\$3.03	\$3.32
—Video	\$0.09	\$0.18	\$0.28	\$0.44	\$0.64	\$0.93	\$1.34
Classifieds	\$1.21	\$1.27	\$1.38	\$1.52	\$1.67	\$1.79	\$1.90
Email*	\$0.02	\$0.09	\$0.13	\$0.14	\$0.15	\$0.16	\$0.16
Lead generation	\$0.07	\$0.07	\$0.08	\$0.08	\$0.09	\$0.09	\$0.09
Total	\$6.61	\$7.72	\$8.64	\$9.51	\$10.55	\$11.40	\$12.19

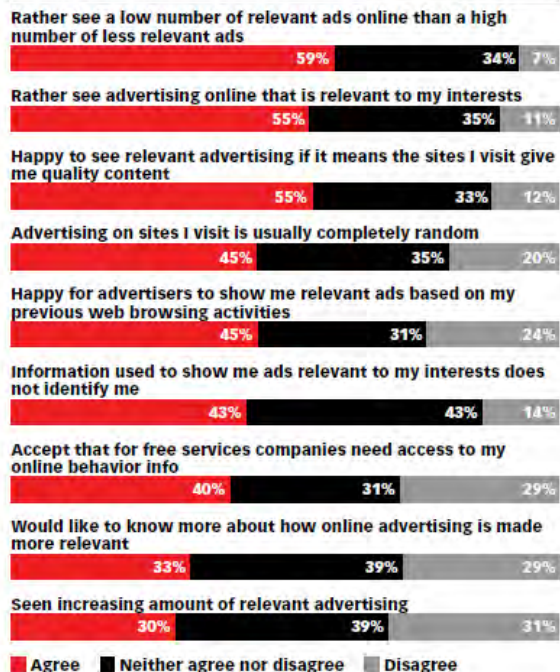
Note: eMarketer benchmarks its UK digital ad spending projections against the IAB UK/PwC/Warc data for which the last full year measured was 2011; includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; converted at the exchange rate of US\$1=£0.62; numbers may not add up to total due to rounding; *embedded ads only
Source: eMarketer, Sep 2012

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Attitudes Toward Targeted Online Ads Among UK Internet Users, March 2012

% of respondents



Note: n=2,001 ages 16+; numbers may not add up to 100% due to rounding
Source: Internet Advertising Bureau UK (IAB UK) and ValueClick, "Consumers & Online Privacy: 2012" conducted by Kantar Media, May 11, 2012

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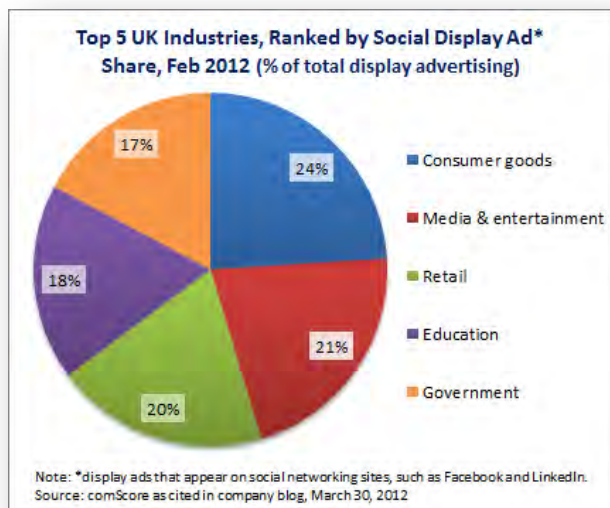
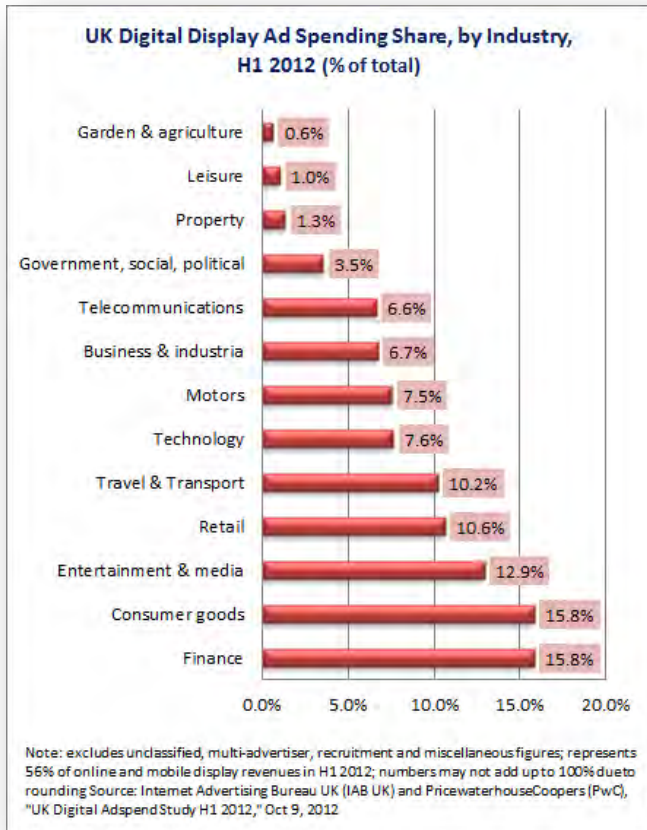
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UK Industries That Often Conduct Display Advertising

- The finance industry is the most popular industry to run display ad campaigns in the UK (15.8% share of total display advertising)
- The consumer goods industry takes up a 15.8% share of total display advertising in the UK, while entertainment and media companies hold a 12.9% share
- The retail and travel industries consume a similar sized share of display advertising (10.6% and 10.2% share respectively)
- 7.6% of total display advertising in the UK is allocated to the technology industry, while a 7.5% share sits within the motors industry

Top 5 UK Industries Ranked by Social Display Advertising

- When it comes to social display advertising on sites like Facebook and LinkedIn, the consumer goods industry is #1 (24% share)
- Media and entertainment companies are ranked as #2 among the top 5 industries for social display advertising (21% share)
- Other industries in the top 5 for social display advertising are retail (20%), education (18%) and government (17%)

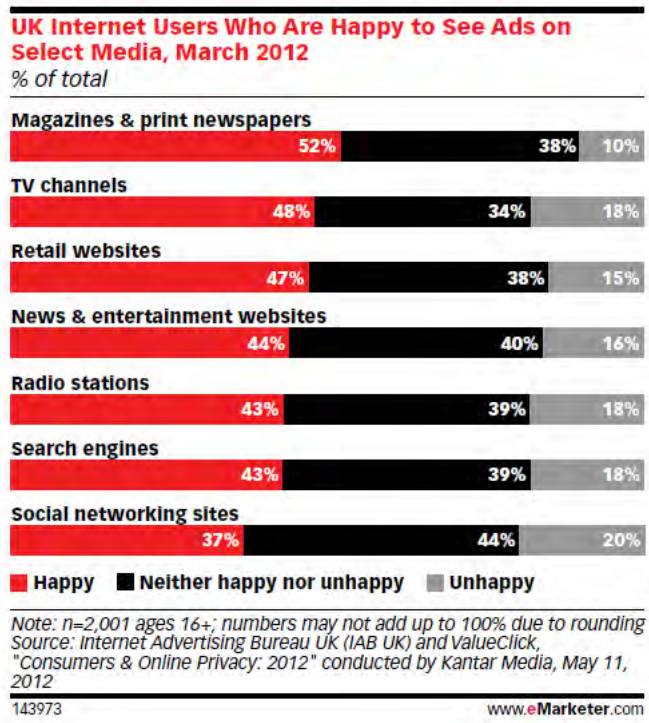


UK Internet Users Happy to See Ads on Select Media

- 47% of UK Internet users said they would be happy to see ads on retail websites
- Meanwhile, 43% of the UK online population are happy to see ads in the search engines, while 39% are indifferent to it
- According to this study, 44% of web users in the UK said they are happy to see ads appear on news and entertainment websites
- Lastly, 37% of UK Internet users said they are happy to see advertising on social networking sites, while 44% of the online population are indifferent

UK Companies Increased Search and Social Media Marketing Spend in 2012

- 62% of UK companies increased their social media spend in 2012, while 33% kept the same social budget
- 57% of UK companies admitted to increasing ad dollars to enhance SEO results, while 37% spent the same amount as last year
- Meanwhile, 49% of UK companies increased their paid search advertising in 2012, and 37% kept the same PPC budget

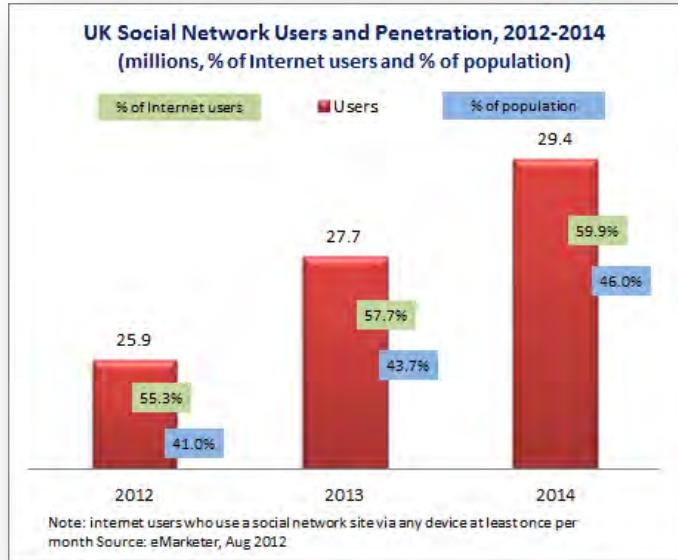


More UK Web Users Will Engage in Social Media

- In 2013, there will be 27.7 million social network users, representing 57.7% of all Internet users and 43.7% of the entire UK population
- This is a healthy increase from 2012 when the UK had 25.9 million social network users (55.3% of the online population)
- eMarketer predicts that by 2014, 60% of the UK online population will become social network users (29.4 million), representing 46% of the entire UK population

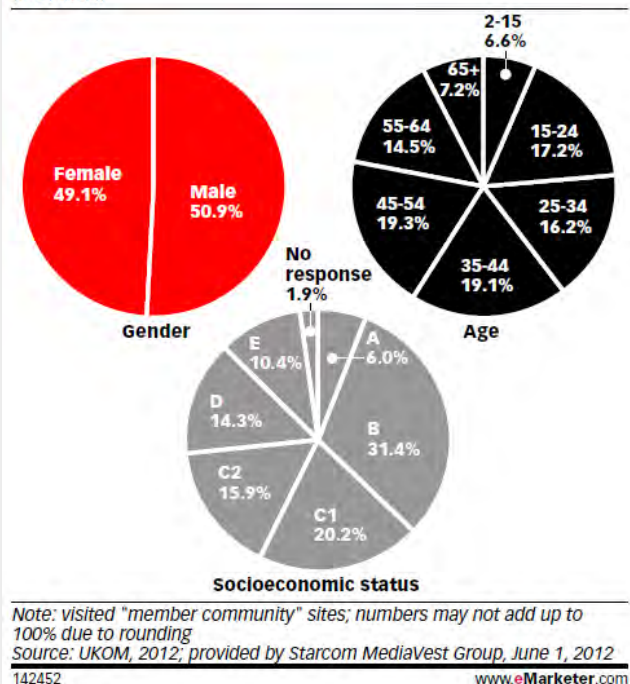
Demographic Profile of UK Social Network Users

- There is a relatively even split between male and female social network users in the UK (49.1% female and 50.9% male)
- 17.2% of the UK social networking population are between the ages of 15-24 years old
- Meanwhile, 16.2% of social network users are 25-34 years, and 19.1% are between 35-44 years
- The 45-54 age group accounts for 19.3% of the total social networking population in the UK
- Lastly, a 14.5% share of all social network users goes to 55-64 year olds



Demographic Profile of UK Social Network Users, April 2012

% of total



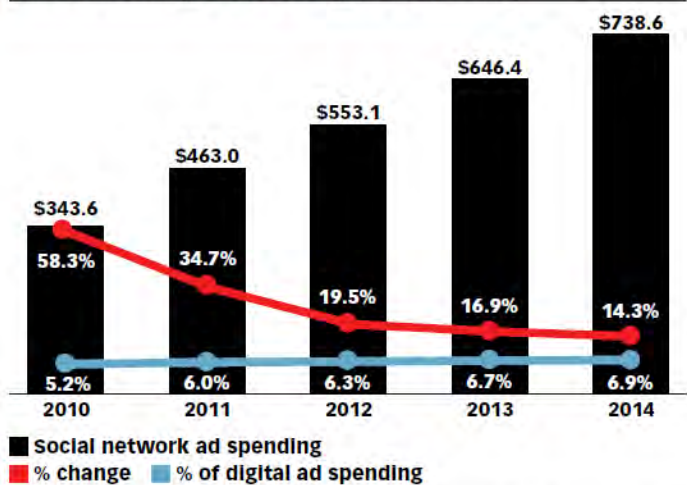
UK Social Network Ad Spending Expected to Rise

- In 2012, \$553.1 million was spent advertising on social networks, a 19.5% change from the previous year
- In 2013, the UK can expect to see \$646.4 million in social networking advertising spend
- This is an increase of 16.9% over 2012 and represents a 6.7% share of total digital advertising spend
- According to eMarketer, by 2014 social network ad spend will reach \$738.6 million, a 14.3% increase over 2013 and 6.9% share of total digital ad spend

UK Social Network Ad Spend per Social Network User

- When reviewing the social media ad spend per social network user in the UK, eMarketer reported in 2012 \$21.37 was spent advertising per user
- This will increase by 10.5% in 2013 as social network ad spend per user will reach \$23.34 this year
- Similarly, by 2014, \$25.17 will be spent per social network user in the UK, a 7.8% rise over the previous year

UK Social Network Ad Spending, 2010-2014
millions, % change and % of digital ad spending

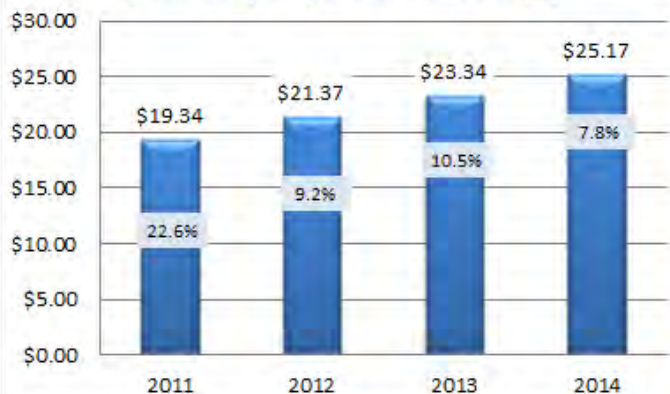


Note: Includes display, search, video and other forms of paid advertising appearing within social networks, social games and social applications; excludes spending by marketers that goes toward developing or maintaining social network profile pages or branded applications
Source: eMarketer, Nov 2012

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UK Social Network Ad Spending per Social Network User, 2011-2014
(social ad spend per user and % change)



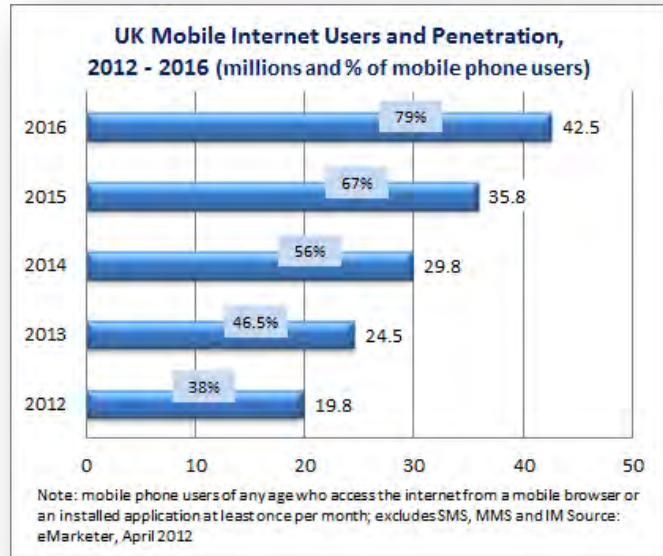
Note: figures include display, video, search and other forms of paid advertising appearing within social networks, social games and social applications; does not include spending by marketers that goes toward developing or maintaining social network profile pages or branded applications
Source: eMarketer, Nov 2012

More UK Mobile Users Browse the Internet on their Mobile Phones

- This year, 24.5 million people will browse the web on their mobile phones, representing 46.5% of all mobile phone users in the UK
- This trend is projected to increase to 29.8 million in 2014 (56% share of all mobile phone users)
- In 2015, 67% of mobile phone users in the UK will browse the Internet from their phones (35.8 million)
- By 2016, mobile Internet users in the UK will reach 42.5 million (79% share of all mobile users)

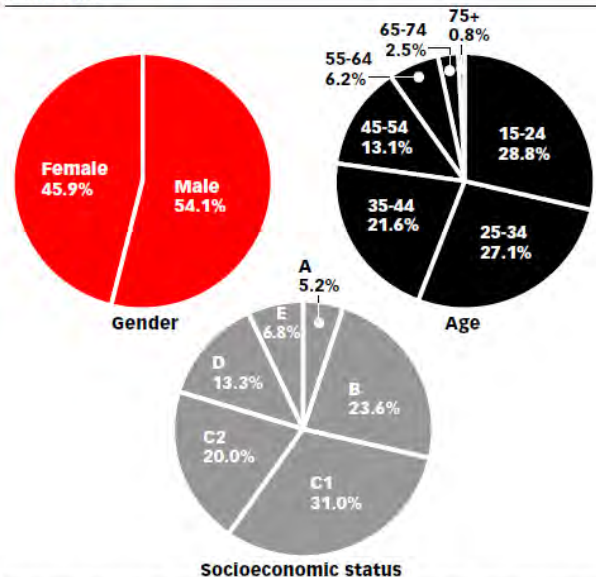
Demographic Profile of UK Mobile Internet Users

- The majority of mobile Internet users are under the age of 45
- 28.8% of mobile web users are between 15-24 years, while 27.1% are between 25-34 years old
- Those within the 35-44 age group take up a 21.6% share of all mobile Internet users in the UK
- Regarding gender, 45.9% of mobile web browsers in the UK are female, and 54.1% are male



Demographic Profile of Mobile Internet Users in Great Britain, 2011

% of total



Note: among those living in England, Scotland and Wales who accessed internet via mobile phone; numbers may not add up to 100% due to rounding
Source: Kantar Media, "TGI GB," Q1 2012; provided by Starcom MediaVest Group, June 1, 2012

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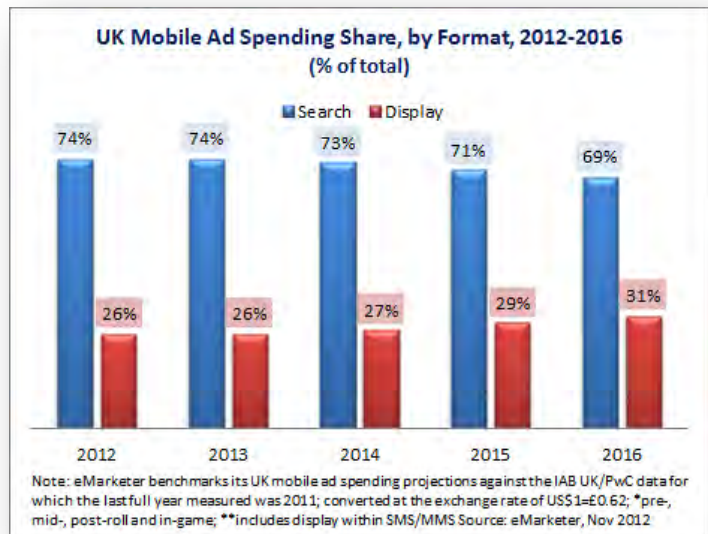
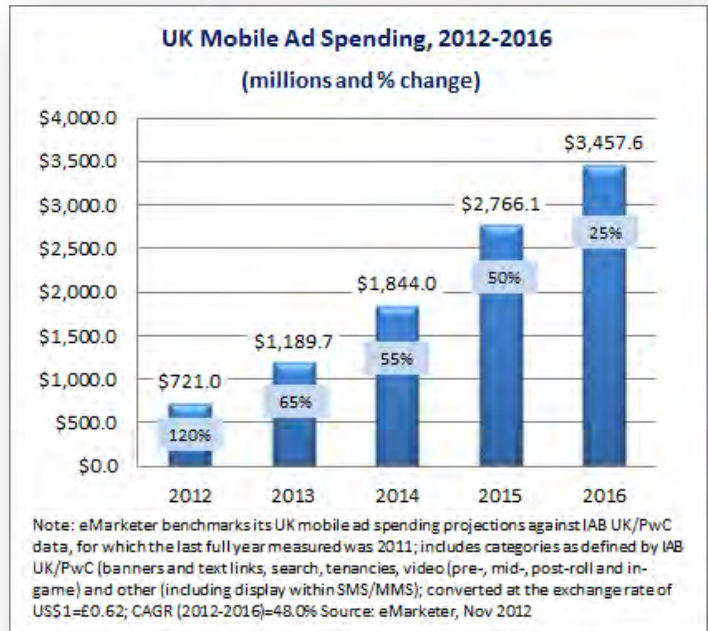
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Marketers Will Spend More Money on Mobile Advertising

- In 2013, UK advertisers will spend \$1.2 billion on mobile advertising, a 65% change over 2012
- The year over year increase is expected to continue in 2014 as \$1.8 billion will be allocated to mobile marketing (55% increase)
- eMarketer projects that \$2.8 billion will be spent advertising on mobile devices in 2015, an increase of 50%
- By 2016, UK advertisers can expect to increase their mobile spend by 25% to reach \$3.5 billion

Mobile Search and Display Will Remain Steady

- When evaluating mobile advertising formats, we see that search advertising dominates over display
- In 2013, mobile search will take a 74% share of UK mobile ad spend, while 26% will go to display
- Mobile search will continue to take a larger share of mobile ad dollars than display, according to eMarketer
- However, display will take a small share from search in 2015 and 2016 (29% and 31% share to mobile display respectively)



How UK Consumers Feel About Mobile Ads

- 64% of UK consumers agreed strongly that ads on their smartphones were acceptable if they had opted in to receive them
- More than 40% agreed strongly that such ads were “an obvious step in better communications”
- 32% of UK consumers said they would likely increase their spending habits from mobile ads
- Meanwhile, 23% said they’re OK with mobile advertising as long as the ads were relevant to them

Attitudes Toward Smartphone Ads According to UK Internet Users, Aug 2012

% of respondents

	5 agree strongly	4	3	2	1 disagree strongly
Okay if I opted in to them	64%	25%	7%	3%	1%
An obvious step in better communications	41%	36%	16%	7%	-
Likely to increase my spending habits	32%	44%	18%	5%	1%
Not legitimate to me	30%	31%	31%	7%	1%
The same as billboards to me	29%	28%	26%	15%	2%
Intrusive	26%	33%	31%	11%	1%
OK if they are relevant to me	23%	46%	24%	7%	1%

Note: ages 20-40; numbers may not add up to 100% due to rounding
Source: Accenture Interactive, "Today's Shopper Preferences: Channels, Social Media, Privacy and the Personalized Experience" conducted by Coleman Parkes, Nov 19, 2012

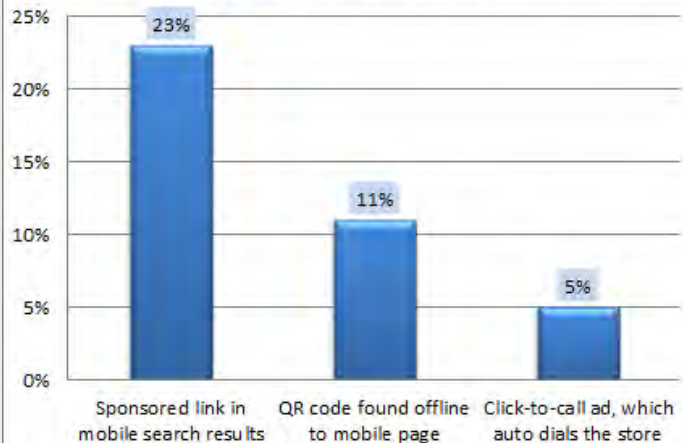
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Mobile Ads UK Consumers Have Engaged With

- In a survey among 18-64 year old UK consumers, 3 different types of mobile ads were defined as common
- 23% of UK Internet users said they have clicked on a sponsored link in mobile search results
- On the other hand, 11% of UK consumers admitted to scanning a QR code found offline to land on a company’s mobile page/website
- Meanwhile, 5% of respondents have engaged in a click-to-call ad, which auto-dialed to the company’s store

Types of Mobile Ads with Which UK Internet Users Have Engaged, April 2012 (% of respondents)



Note: ages 18-64 Source: Kenshoo and Figaro Digital, "How Consumers Search for Products: Insights for Better Optimisation" conducted by Lightspeed Research, June 25, 2012

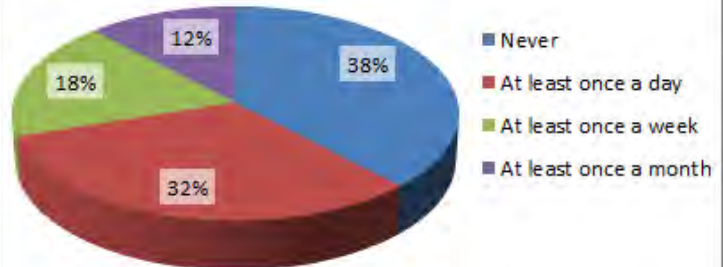
How Often UK Mobile Users Interact With Mobile Ads

- In 2012, a survey was conducted to understand how frequently UK consumers engage with mobile ads
- 32% of mobile phone users in the UK admitted that they interact with a mobile ad at least once a day
- 18% of respondents said they engage with mobile ads at least once a week
- Meanwhile, 12% said they interact with mobile ads about once a month
- Though 38% have never engaged with a mobile ad, experts predict this number will shrink as mobile web browsing increases over the years

What UK Consumers Would Like to See From Mobile Ads

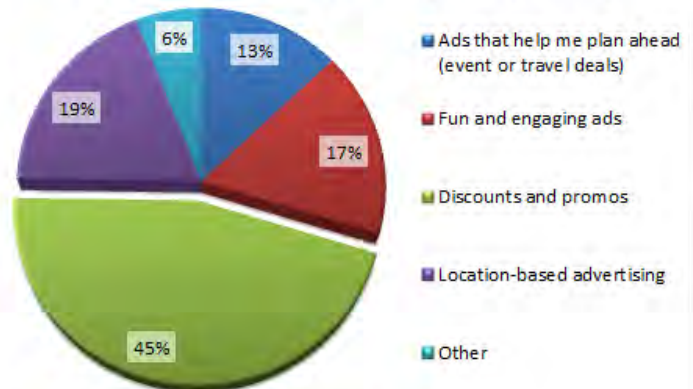
- The majority of UK iPhone users (45%) said they want to see more discounts and promos on mobile ads
- 19% said they prefer to see location-based mobile ads, while 17% said they like fun and engaging ads
- On the other hand, 13% of respondents said they would like to see mobile ads that help them plan ahead (ie: event or travel deals)

Frequency with Which UK Mobile Phone Users Interact with Mobile Ads, July 2012 (% of total)



Note: n=86 US; n=156 UK; numbers may not add up to 100% due to rounding Source: Interactive Advertising Bureau (IAB) Mobile Marketing Center of Excellence, Internet Advertising Bureau UK (IAB UK) and Mojiva, "2012 Olympic Games Go Mobile: United Kingdom vs. United States," July 31, 2012

One Feature that UK iPhone Owners Would Like to See More of from Mobile Ads, Sept 2012 (% of respondents)



Note: numbers may not add up to 100% due to rounding Source: Mojiva, "The Five-Year Anniversary of the iPhone," Sep 20, 2012

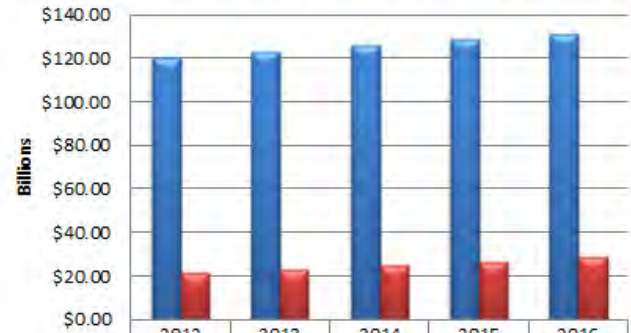
Total Media Ad Spend in Western and Eastern Europe

- In 2013, \$123.17 billion will be spent advertising in Western Europe, while Eastern Europe will spend \$23.12 billion advertising across all media
- Total media ad spending will grow in 2014 to reach \$126.38 and \$24.85 billion for Western and Eastern Europe respectively
- By 2016, eMarketer predicts that \$131.22 billion will be spent advertising in Western Europe
- In that same year, Eastern Europe will spend \$28.32 advertising across all media

Total Media Ad Spending Growth in Europe

- When evaluating the growth rate for total media advertising spend in Europe, we see that growth trends are consistent and steady
- In 2013, Western Europe's total media ad spend growth will reach 2.4%, while Eastern Europe will grow by 8%
- Next year, Europe's total advertising spend will see similar trends with 2.6% growth for Western Europe and 7.5% increase for Eastern Europe

Total Media Ad Spending in Europe, 2012-2016 (billions)



	2012	2013	2014	2015	2016
Western Europe	\$120.28	\$123.17	\$126.38	\$128.90	\$131.22
Eastern Europe	\$21.40	\$23.12	\$24.85	\$26.59	\$28.32

Note: includes digital (online and mobile), directories, magazines, newspapers, outdoor, radio and TV; numbers may not add up to total due to rounding. Source: eMarketer, Dec 2012

Total Media Ad Spending Growth Worldwide, by Region, 2011-2016

% change

	2011	2012	2013	2014	2015	2016
Latin America	13.9%	11.0%	10.0%	12.0%	9.5%	9.8%
Asia-Pacific	2.9%	8.5%	7.9%	7.2%	6.5%	6.2%
Eastern Europe	5.3%	8.3%	8.0%	7.5%	7.0%	6.5%
Middle East & Africa	10.7%	7.5%	6.9%	6.9%	6.0%	5.7%
North America	3.1%	4.9%	3.5%	3.9%	2.7%	3.3%
Western Europe	1.6%	0.4%	2.4%	2.6%	2.0%	1.8%
Worldwide	3.6%	5.4%	5.2%	5.4%	4.5%	4.6%

Note: includes digital (online and mobile), directories, magazines, newspapers, outdoor, radio and TV
Source: eMarketer, Dec 2012

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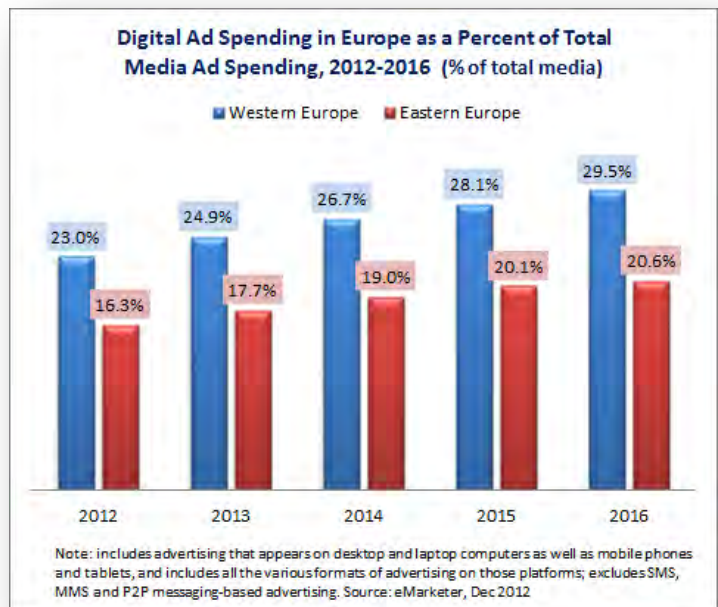
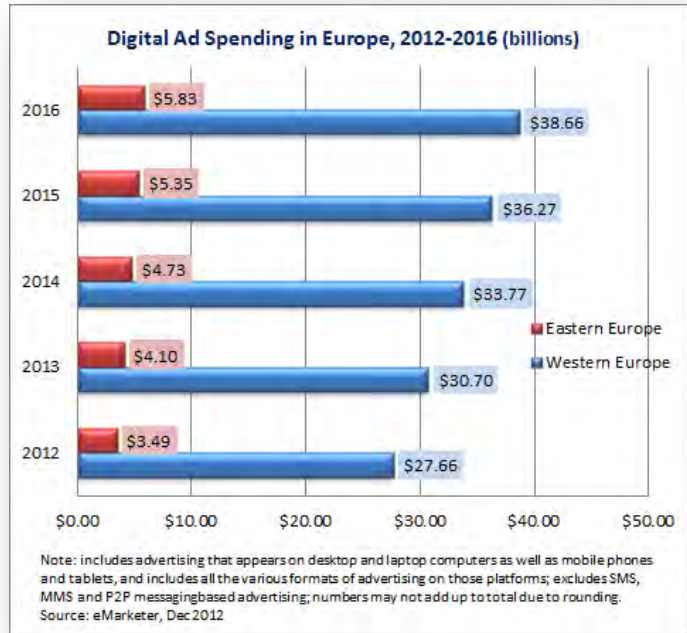
www.eMarketer.com

Digital Ad Spending in Europe Expected to Increase

- \$30.7 billion will be spent on digital advertising in Western Europe in 2013, while Eastern Europe will spend \$4.1 billion
- In 2014, Western Europe will spend \$33.8 billion on digital advertising, and Eastern Europe will increase their online ad spend to \$4.7 billion
- \$36.3 and \$5.6 billion will be spent on digital advertising in Western and Eastern Europe respectively in 2015
- eMarketer predicts the growth will be steady as \$38.7 and \$5.8 billion will be spent in Western and Eastern Europe respectively by 2016

Digital Ad Spending as a Percent of Total Media

- Digital advertising will continue taking a larger piece of the total ad spend pie year over year in Europe
- In 2013, digital ad spend will take a 24.9% share in Western Europe, while 17.7% of total media spend will be allocated to digital in Eastern Europe
- Looking ahead to 2016, we see that 29.5% will be given to digital media in Western Europe
- Meanwhile, 20.6% of total media advertising will be spent on digital advertising in Eastern Europe

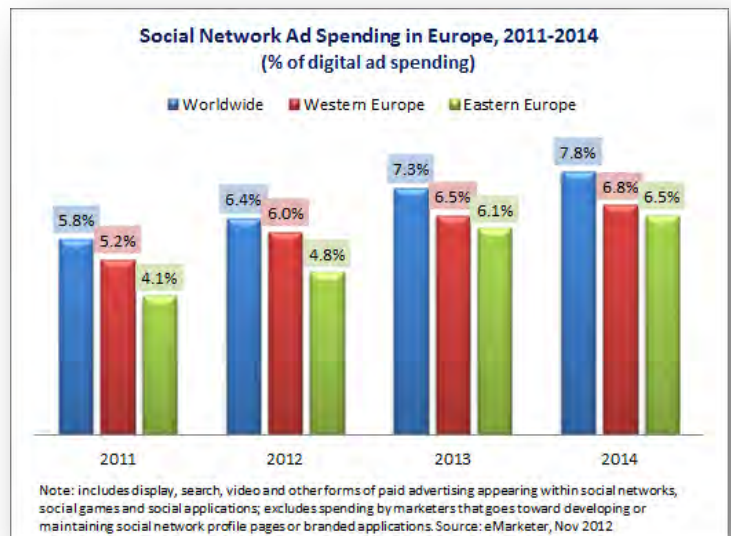
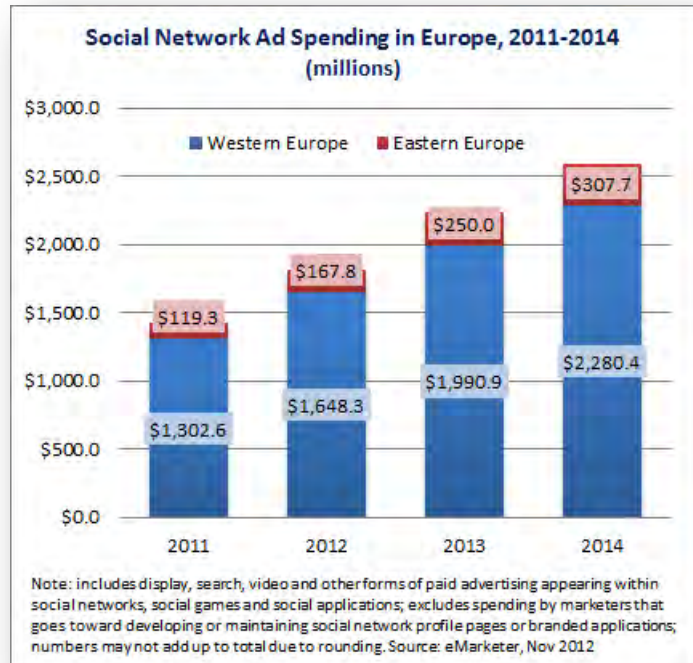


Social Network Ad Spend in Europe Rises Progressively

- As digital advertising continues to rise, it's no surprise that social network advertising follows suit
- In 2013, Western Europe will spend \$1.99 billion advertising on social networking sites, while Eastern Europe will spend about \$250 million doing the same
- Social network advertising spend will continue to trend upward next year
- By 2014, eMarketer projects that \$2.28 billion will be spent on social media advertising in Western Europe, and \$307.7 million will be spent on the same in Eastern Europe

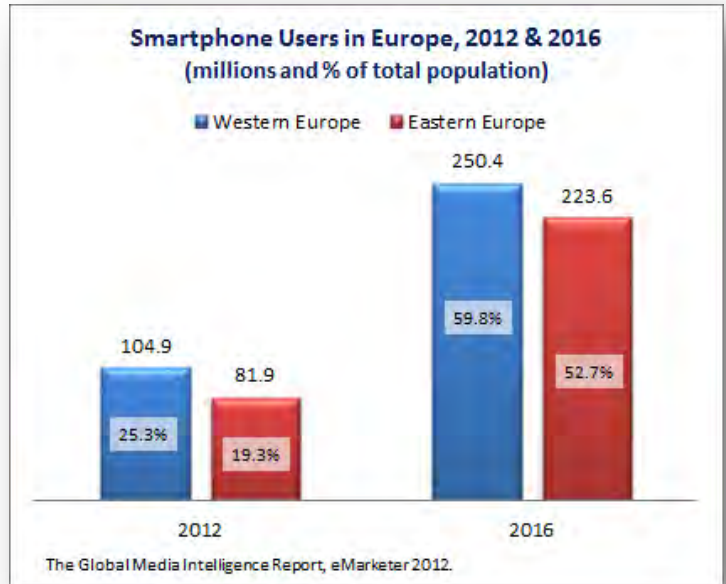
Social Network Advertising Share of Total Digital Ad Spend

- Social network advertising spend will take a 6.5% share of the digital ad spend pie in Western Europe in 2013
- Meanwhile Eastern Europe will allocate a 6.1% share from total digital ad spend to social media marketing
- In 2014, social media ad shares are set to increase to 6.8% for Western Europe and 6.5% in Eastern Europe
- Worldwide social network ad spend share will continue to increase as well



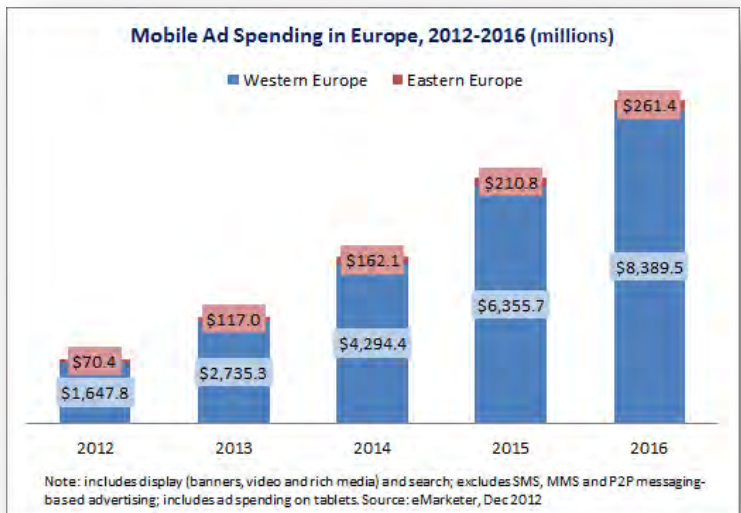
More Europeans Will Use Smartphones in Future Years

- In 2012, 104.9 million Western Europeans had a smartphone, representing 25.3% of the entire population
- That same year, 81.9 million Eastern Europeans were smartphone users (19.3% of total population)
- eMarketer predicts that smartphone users in Europe will surge by 2016
- 250.4 million people in Western Europe will become smartphone users (59.8% share of total population), while 223.6 million Eastern Europeans will own a smartphone by 2016



Mobile Advertising Spend in Europe Will Increase

- With more Europeans expected to own smartphones in the coming years, it makes sense that mobile advertising spend increases too
- In 2013, \$2.7 billion will be spent on mobile ads in Western Europe, while \$117 million will be spent advertising on mobile in Eastern Europe
- By 2016, mobile ad spend will increase to \$8.4 billion for Western Europe and \$261.4 million in Eastern Europe

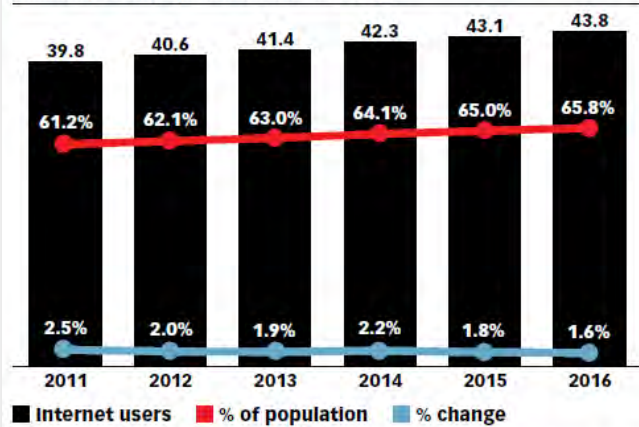




Internet Users and Penetration in France

- The online population in France will continue to rise steadily over the next couple of years
- In 2013, eMarketer reports that 41.4 million people in France will be online, representing 63% of the country's total population and a 1.9% change over the previous year
- The online audience in France will grow by another 2.2% in 2014 to reach 42.3 million
- By 2016, 66% of France's population will go online as 43.8 million will become Internet users

Internet Users and Penetration in France, 2011-2016
millions, % of population and % change



Note: Individuals of any age who use the Internet from any location via any device at least once per month
Source: eMarketer, Feb 2012

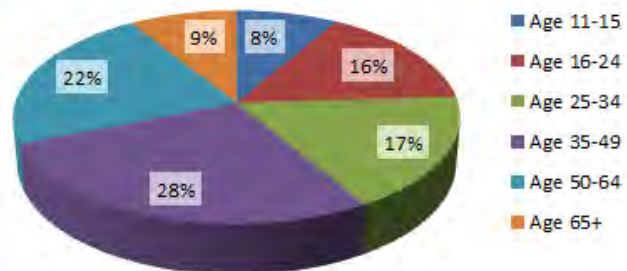
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Age Demographic of France Internet Users

- Half of France's online population are between the ages of 35-64, with a 28% share going to 35-49 year olds and 22% share to the 50-64 age group
- Meanwhile, those between the ages of 25-34 represent 17% of France's entire online population
- 16% of Internet users in France are between 16-24, while 8% are between 11-15 years old
- Seniors aged 65+ represent 9% of France's entire online population

Demographic Profile of Internet Users in France, March 2012 (% of total)



Note: used at least once per day in the past month; numbers may not add up to 100% due to rounding. Source: Médiamétrie, "Observatoire des Usages Internet," 2012; provided by Starcom MediaVest Group, June 1, 2012

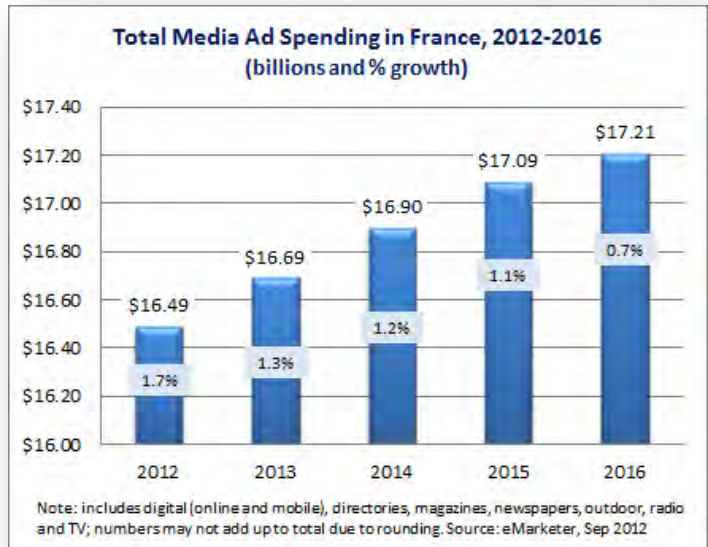


Total Media Ad Spending in France is on the Rise

- Marketers in France will continue spending more money advertising across all media channels
- eMarketer estimates about 1% increases in total media ad spend between 2013 and 2016
- In 2013, \$16.7 billion will be spent in total media advertising, while in 2014 we can expect to see this increase to almost \$17 billion
- By 2016, \$17.21 billion is expected to be spent on total media advertising in France

Internet Advertising is Almost as Popular as TV Advertising

- Though TV advertising still dominates in France, Internet advertising has been steadily increasing in spend
- Internet advertising has consecutively been in 2nd place, surpassing spend on traditional channels such as magazine, outdoor, newspapers and radio
- In 2013, \$3.1 billion will be spent advertising online in France, while TV advertising will see \$4.9 billion
- By 2014, France advertisers will spend \$3.5 billion on Internet advertising, taking a larger share away from traditional channels



Ad Spending in France, by Media, 2005-2014

millions

	2005	2010	2011	2012	2013	2014
TV	\$4,498	\$4,668	\$4,735	\$4,758	\$4,853	\$4,975
Internet*	\$853	\$2,369	\$2,672	\$2,873	\$3,143	\$3,455
Magazines	\$2,672	\$2,064	\$2,042	\$1,980	\$1,944	\$1,909
Outdoor	\$1,697	\$1,651	\$1,673	\$1,656	\$1,681	\$1,715
Newspapers	\$1,476	\$1,287	\$1,273	\$1,244	\$1,217	\$1,192
Radio	\$1,162	\$1,034	\$1,040	\$1,035	\$1,051	\$1,066
Cinema	\$108	\$126	\$146	\$158	\$177	\$198
Total	\$12,467	\$13,199	\$13,581	\$13,705	\$14,066	\$14,510

Note: converted at the exchange rate of US\$1=€0.72; numbers may not add up to total due to rounding; *affiliates, classifieds, display, search and mobile
Source: ZenithOptimedia, "Advertising Expenditure Forecasts," June 2012; provided by Starcom Mediavest Group, June 2012

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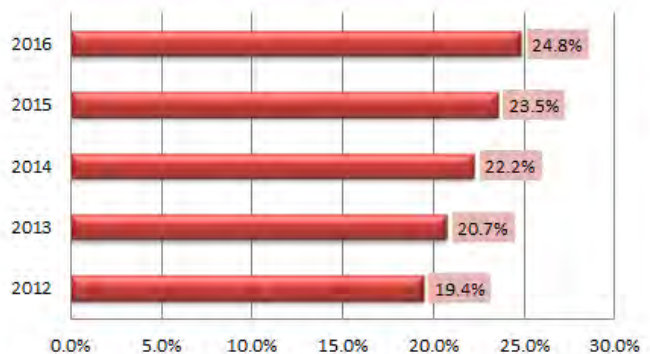
Digital Ad Spending Will Continue Taking a Bigger Share

- Traditional media will have to make way for digital media as online advertising spend will continue taking a larger chunk out of France's total media spend in the coming years
- In 2013, digital ad spending will take a 20.7% share of total media advertising
- This trend will continue in 2014 and 2015 with digital ad spend consuming shares of 22.2% and 23.5% respectively
- By 2016, almost a quarter (24.8%) of all advertising dollars in France will be spent on digital media

Digital Ad Spending in France Will Increase at a Steady Rate

- Digital ad spend dollars will increase steadily at a rate of about 7% over the next few years
- As previously mentioned, digital ad spend in France will reach just over \$3 billion in 2013, an increase of 8% from 2012
- In 2014, digital ad spend will rise by another 9% to reach \$3.8 billion, and in 2015 the spend growth will be 7%
- eMarketer predicts that by 2016, advertisers in France will increase their digital ad spend by another 6%

Digital Ad Spending in France as a Percent of Total Media Ad Spending, 2012-2016 (% of total media)



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; total media ad includes digital (online and mobile), directories, magazines, newspapers, outdoor, radio and TV; Source: eMarketer, Sep 2012

Digital Ad Spending in France, 2012-2016 (billions and % change)



Note: eMarketer benchmarks its digital ad spending projections for France against the IAB Europe/IHS Screen Digest data for which the last full year measured was 2010; includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets, and includes all the various formats of advertising on those platforms; excludes SMS, MMS and P2P messaging-based advertising; CAGR (2011-2016)=8.4%; converted at the exchange rate of US\$1=€0.72. Source: eMarketer, Sep 2012



More France Residents Will Become Social Media Users

- In 2013, France will see an estimated 23.6 million social network users, accounting for 57% of the online population and 35.9% of France’s entire population
- By 2014, this will increase by 5.8% as 25 million people will become social network users
- According to eMarketer, almost all social network users will be logging on to Facebook
- 22.4 million people will become Facebook users in 2014, representing almost 90% of all social network users and over half (53%) of all Internet users

Social Network Users and Penetration in France, 2010-2014

	2010	2011	2012	2013	2014
Social network users (millions)	17.8	19.9	21.9	23.6	25.0
—% change	23.5%	12.2%	10.1%	7.6%	5.8%
—% of Internet users	45.7%	50.0%	54.0%	57.0%	59.0%
—% of population	27.4%	30.6%	33.5%	35.9%	37.8%

Note: Internet users who use a social network site via any device at least once per month
Source: eMarketer, Aug 2012

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Facebook Users and Penetration in France, 2010-2014

	2010	2011	2012	2013	2014
Facebook users (millions)	15.6	17.5	19.5	21.1	22.4
—% change	34.5%	12.2%	11.2%	8.3%	6.2%
—% of social network users	88.0%	88.0%	88.9%	89.5%	89.8%
—% of Internet users	40.2%	44.0%	48.0%	51.0%	53.0%
—% of population	24.1%	26.9%	29.8%	32.1%	34.0%

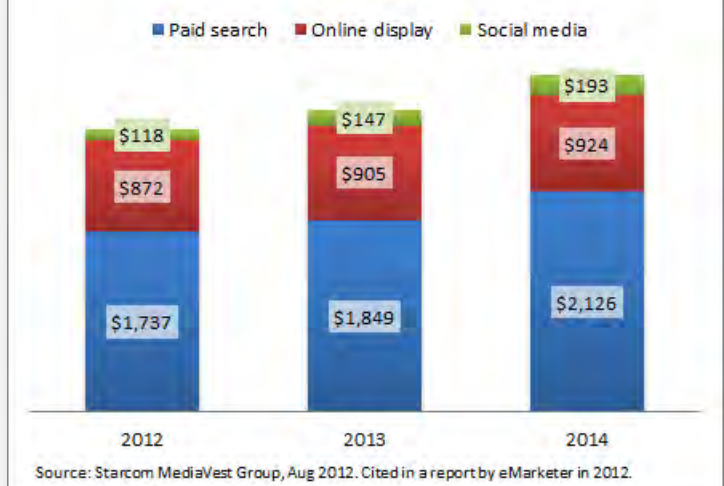
Note: Internet users who access their Facebook account via any device at least once per month
Source: eMarketer, Aug 2012

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Paid, Display and Social Advertising Expected to Rise

- Paid search, online display and social media advertising are all expected to increase in spend in 2013 and 2014
- \$1.8 billion will be spent on paid search in 2013, while \$905 million will be allocated toward display this year
- Meanwhile, social media advertising will see \$147 million in spend
- Next year, France will see \$2.1 billion spent advertising through paid search, \$924 million on display, and \$193 million on social media

Digital Ad Spending in France, by Format, 2012-2014 (millions)



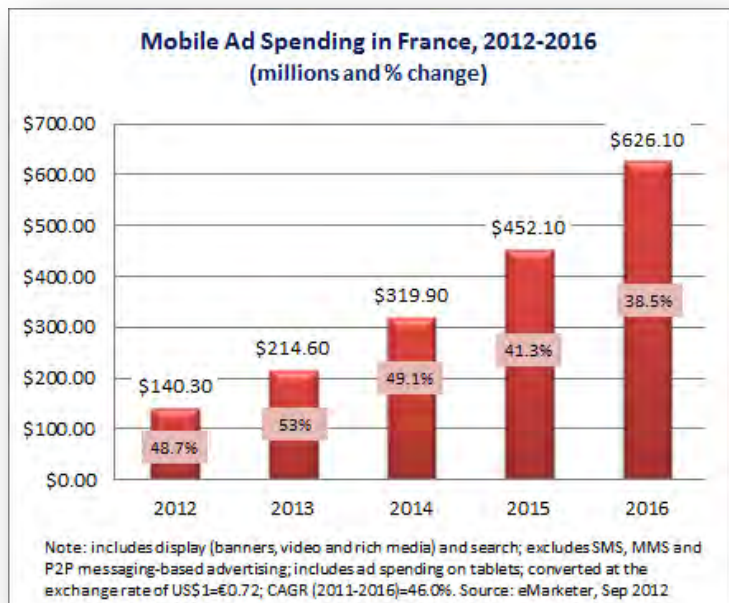
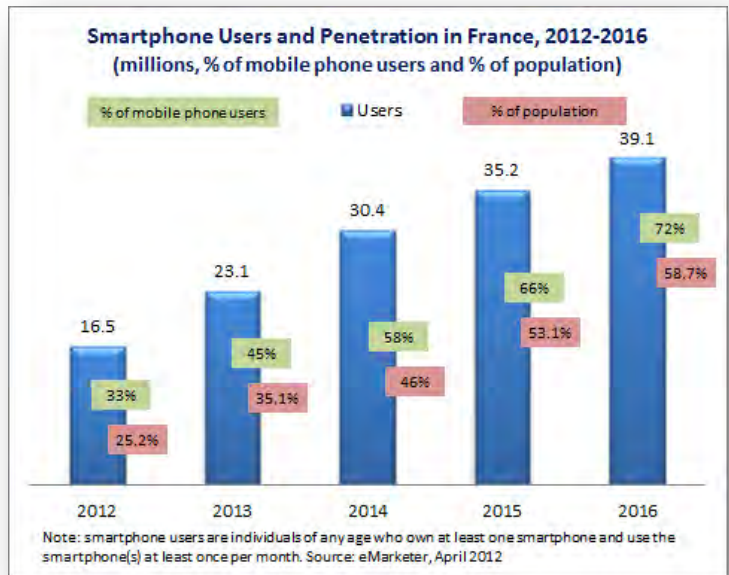


More France Residents Will Purchase Smartphones

- This year, almost half of all mobile phone users in France will own a smartphone (45%), representing 23.1 million people
- In 2014, smartphone users will increase to 30.4 million, accounting for 58% of all mobile phone users and 46% of the entire population
- Fast-forward to 2016 and eMarketer predicts that 72% of all mobile phone users will own a smartphone
- This means France will have about 39.1 million smartphone users, representing over half (58.7%) of the country's entire population

Mobile Advertising Spend Increases Quickly to Coincide

- With the rise of smartphone users France can expect to see, it only makes sense that marketers increase their mobile advertising spend too
- In 2014, \$319.9 million will be spent advertising on mobile devices, a 49.1% increase over this year when an estimated \$214.6 million will be spent
- By 2016, France will allocate about \$626.1 million on mobile advertising, a considerable increase of 38.5% over the previous year

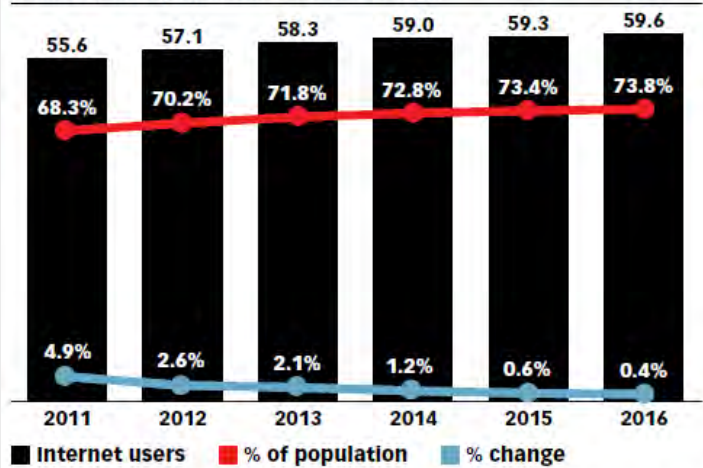




Germany Remains Strong for Internet Usage

- Over 70% of the entire German population are going online, according to eMarketer
- In 2013, 58.3 million people in Germany will become Internet users, a 2.1% growth from 2012
- Next year, Germany's online population will rise to 59 million, representing 72.8% of the total population
- By 2016, Germany can expect to see almost 74% of their entire population using the Internet, accounting for 59.6 million people

Internet Users and Penetration in Germany, 2011-2016
 millions, % of population and % change



Note: individuals of any age who use the internet from any location via any device at least once per month
 Source: eMarketer, Feb 2012

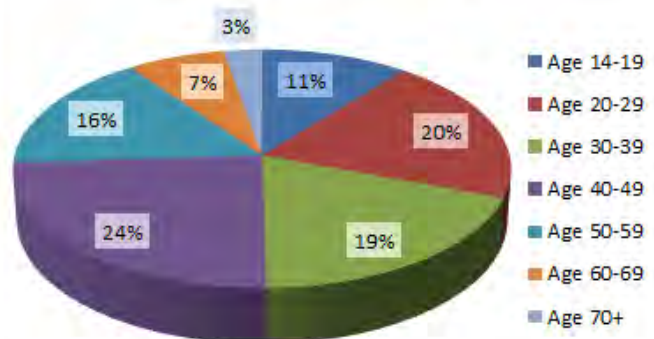
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Age Demographic of Internet Users in Germany

- The majority of Germany's online population are adults
- About 20% of Internet users are aged 20-29; while 19% are aged 30-39
- Meanwhile, 24% of Germany's Internet population are between 40-49 years old
- Teens aged 14-19 represent 11% of Germany's online audience, while seniors aged 60+ account for a 10% share of the total online population

Demographic Profile of Internet Users in Germany, 2011 (% of total)



Note: German-speaking inhabitants ages 14+; use as a free-time activity; numbers may not add up to 100% due to rounding. Source: Axel Springer AG & Bauer Media Group, "VerbraucherAnalyse 2011 - Klassik II," 2012; provided by Starcom MediaVest Group, June 1, 2012

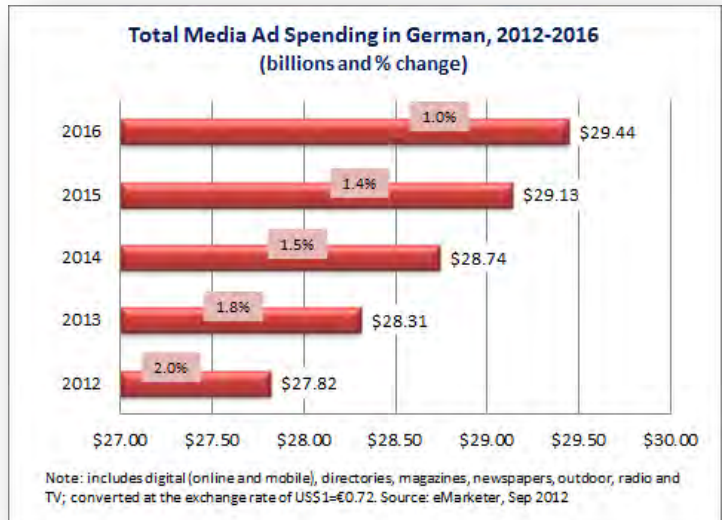


Germany Spends More on Total Media Advertising

- Total media advertising spend in Germany is on the rise at a steady pace of about 1.5% year over year
- In 2013, \$28.3 billion will be spent advertising in Germany across all media channels, an increase of 1.8%
- Next year, Germany will increase its advertising dollars by 1.5% to \$28.7 billion across all channels
- eMarketer predicts that total media ad spend will reach an estimated \$29.4 billion by 2016

Print Still Dominates, But the Internet Continues to Grow

- Newspaper advertising is still strong in Germany with \$8.1 million spent in 2012, but this number is expected to decrease over the next couple of years
- This year, newspaper ad spend will decrease to \$7.9 million, allowing the Internet to take a larger share with an increase in spend from \$5.4 million in 2012 to \$6 million in 2013
- 2013 will also be the year that Internet ad spend surpasses television ad spend for the first time in Germany
- By 2014, \$6.6 billion will be spent advertising on the Internet surpassing TV advertising spend, which will be just under \$6 billion



Ad Spending in Germany, by Media, 2005-2014

millions

	2005	2010	2011	2012	2013	2014
Newspapers	\$9,339	\$8,261	\$8,223	\$8,059	\$7,911	\$7,781
TV	\$5,462	\$5,496	\$5,534	\$5,657	\$5,805	\$5,955
Internet*	\$1,157	\$4,263	\$4,782	\$5,350	\$5,956	\$6,640
Magazines	\$5,408	\$4,816	\$4,801	\$4,765	\$4,735	\$4,746
Outdoor	\$1,069	\$1,065	\$1,127	\$1,155	\$1,207	\$1,252
Radio	\$923	\$962	\$986	\$1,009	\$1,020	\$1,043
Cinema	\$184	\$104	\$118	\$122	\$126	\$131
Total	\$23,541	\$24,966	\$25,571	\$26,119	\$26,760	\$27,548

Note: converted at the exchange rate of US\$1=€0.72; numbers may not add up to total due to rounding; *affiliate deals, display and paid search
Source: ZenithOptimedia, "Advertising Expenditure Forecasts," June 2012; provided by Starcom MediaVest Group, June 2012

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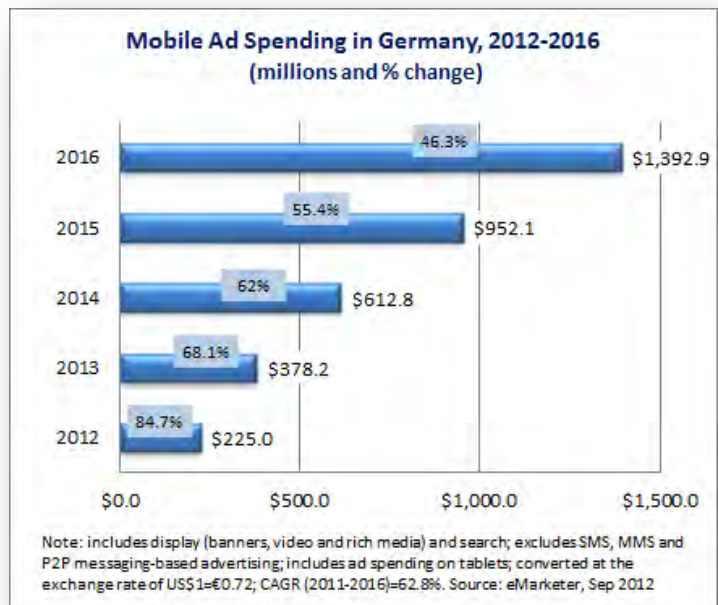
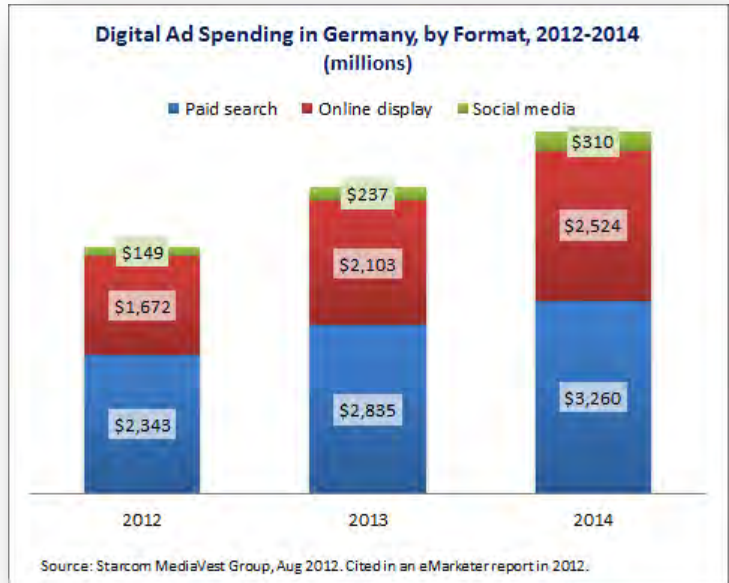


Paid, Display and Social Media Advertising Grows

- In 2013, \$2.8 billion will be spent on paid search advertising in Germany, while \$2.1 billion will be allocated toward display advertising
- Germany continues to invest more into social media advertising with \$237 million expected to be spent in 2013, an increase over the \$149 million spent in 2012
- Next year, all 3 formats will increase in spend steadily
- Paid search will see spends of about \$3.3 billion, while \$2.5 billion will be allocated to display
- Social media spending will rise as well to reach \$310 million in 2014

Germany's Not Afraid to Invest in Mobile Advertising

- Germany's mobile advertising spend is expected to see a healthy increase year over year
- In 2013, \$378.2 million will be spent on mobile advertising, a 68.1% increase from 2012
- Next year, this will rise by another 62% to reach \$612.8 million
- By 2016, eMarketer predicts that a whopping \$1.4 billion will be spent on mobile advertising in Germany





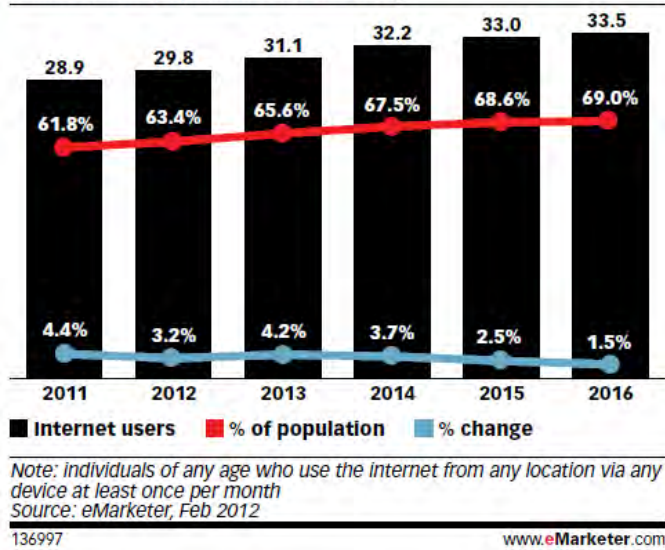
Spain's Online Population Remains Steady

- The online audience will remain strong in Spain, as almost 70% of the nation's population uses the Internet
- In 2013, Spain will see about 31.1 million people go online, accounting for 65.6% of the total population
- This is a 4.2% increase over the number of Internet users in 2012
- Next year, Internet usage will rise yet again by 3.7% to reach 32.2 million people (67.5% of the population)
- By 2016, Spain is expected to have 33.5 million Internet users, representing 69% of the country's total population

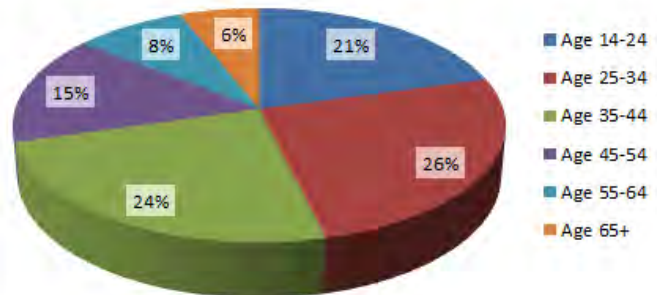
Demographic Profile of Internet Users in Spain

- Half of all Internet users in Spain are adults between the ages of 25-44
- Specifically, 26% of the online population are aged 25-34, while 24% are between 35-44 years old
- Teens and young adults aged 14-24 take a 21% share of the total online population in Spain
- 15% of Internet users are aged 45-54, while 8% are between 55-64
- Seniors aged 65+ account for 6% of all Internet users in Spain

Internet Users and Penetration in Spain, 2011-2016
 millions, % of population and % change



Demographic Profile of Internet Users in Spain, 2012
 (% of total)



Note: use daily. Source: Ipsos, "Estudio General de Medios (EGM), General Media Study" for Asociación para la Investigación de Medios de Comunicación (AIMC), 2012; provided by Starcom MediaVest Group, June 1, 2012

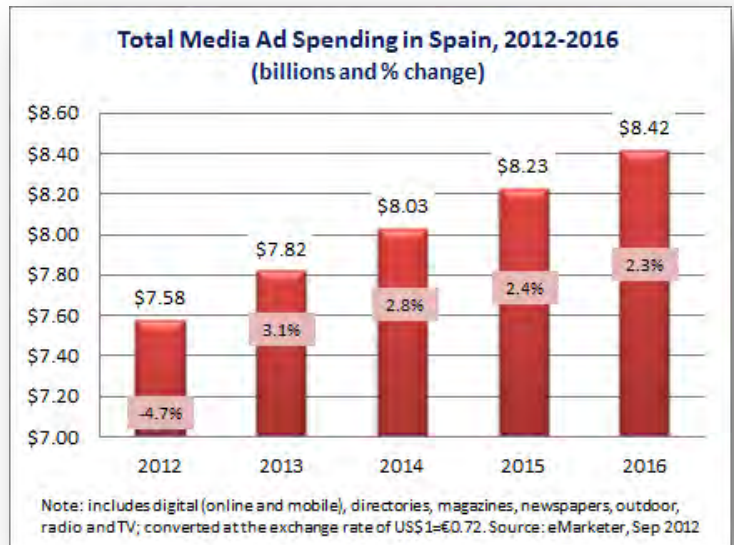


Total Media Ad Spend Growth Makes a Recovery This Year

- Though growth in total media ad spend declined in 2012, growth rates are expected to make a comeback in 2013 (from -4.7% to 3.1%)
- This year, \$7.82 billion will be spent on total media advertising in Spain
- About \$8 billion will be spent advertising in Spain in 2014, a 2.8% increase over 2013
- This upward trend will continue in 2015 and 2016 at a growth rate of about 2.4%
- By 2016, an estimated \$8.42 billion be spent advertising across all media channels in Spain

Internet Advertising Dominates Print Advertising

- Though TV advertising in Spain still dominates, Internet advertising is close contender with more ad spend than print media (ie: newspapers)
- In 2013, \$1.4 billion will be spent advertising online in Spain, an increase from the \$1.3 billion that was spent in 2012
- By 2014, experts predict that Internet advertising will see \$1.5 billion spent, which surpasses most other traditional media channels



Ad Spending in Spain, by Media, 2005-2014
millions

	2005	2010	2011	2012	2013	2014
TV	\$4,103	\$3,436	\$3,110	\$2,623	\$2,650	\$2,729
Internet	\$225	\$1,098	\$1,250	\$1,282	\$1,359	\$1,468
Newspapers	\$2,482	\$1,663	\$1,344	\$1,095	\$1,051	\$1,057
Radio	\$848	\$762	\$730	\$657	\$651	\$657
Outdoor	\$687	\$585	\$560	\$499	\$504	\$509
Magazines	\$938	\$553	\$530	\$462	\$448	\$451
Cinema	\$60	\$34	\$36	\$32	\$33	\$33
Total	\$9,341	\$8,132	\$7,559	\$6,652	\$6,696	\$6,904

Note: converted at the exchange rate of US\$1=€0.72; numbers may not add up to total due to rounding
Source: ZenithOptimedia, "Advertising Expenditure Forecasts," June 2012; provided by Starcom MediaVest Group, June 2012

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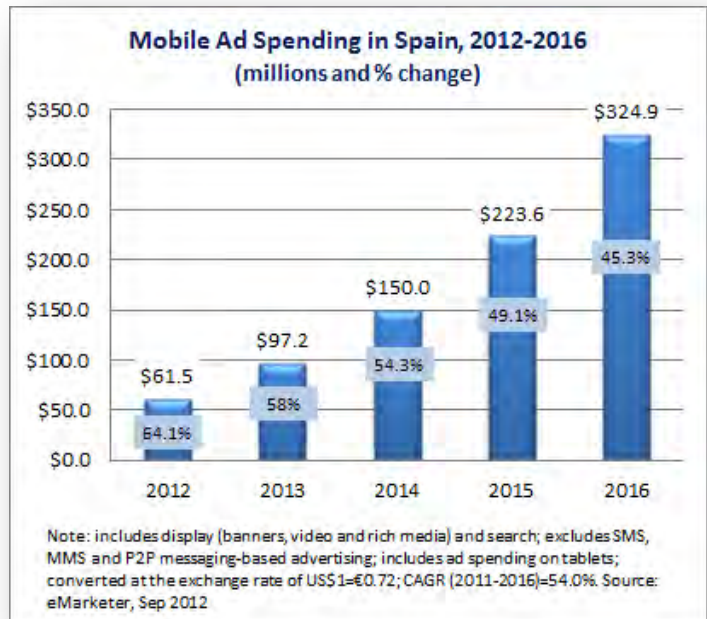
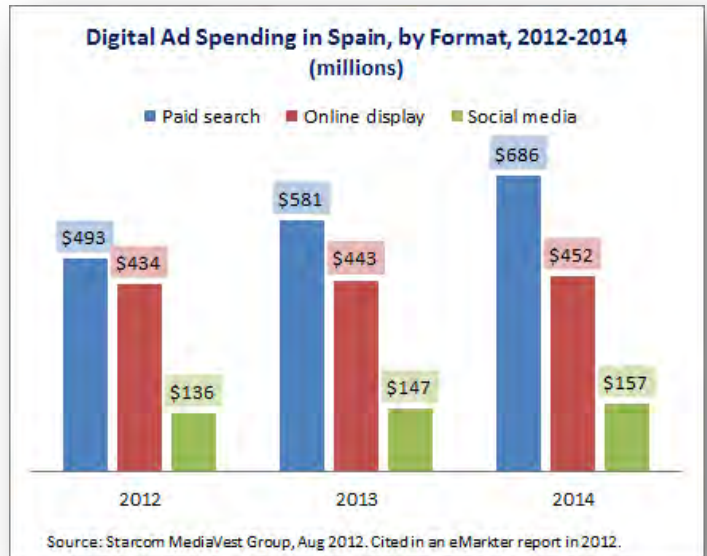


Paid Search, Display and Social Media on the Rise

- In 2013, \$581 million will be spent on paid search in Spain, an increase from the \$493 million spent in 2012
- Advertisers will spend \$443 million on display ads and \$147 million on social media in 2013
- Next year, all these numbers are set to rise, as \$686 million will be spent on paid search advertising; \$452 million allocated to display; and \$157 million spent on social media

Mobile Advertising Will Increase Substantially in the Coming Years

- Spain will also invest more on mobile advertising year over year, according to eMarketer
- Mobile ad spend is expected to maintain a healthy increase of about 50% between 2013-2016
- In 2013, \$97 million will be spent on mobile advertising, while in 2014 we can expect to see \$150 million spent
- Advertisers will invest \$223.6 million on mobile advertising in 2015, an increase of 49.1%
- By 2016, eMarketer predicts that Spain will spend \$324.9 million advertising on mobile devices



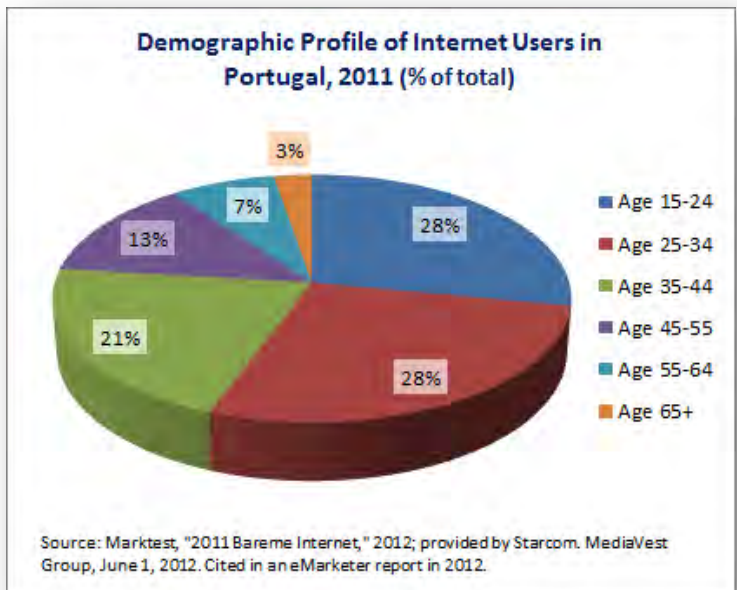
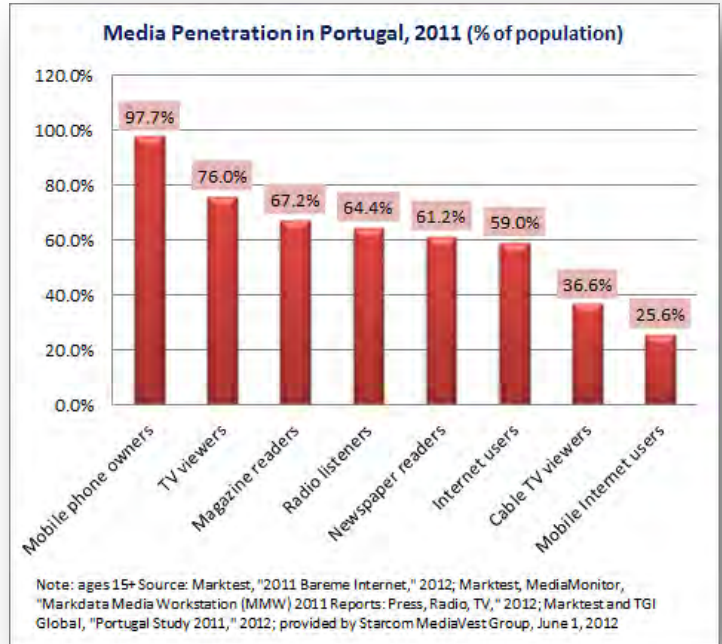


Portugal is Becoming More Digital Tech Savvy

- When reviewing the media penetration in Portugal, we see that mobile phones, the Internet and mobile web browser are among the top media activities
- Over half of the Portugal population are Internet users (59%)
- Meanwhile, almost every person in Portugal (97.7%) admits to owning a mobile phone
- The same study reports that 25.6% of the population browses the web on their mobile devices

Demographic Profile of Internet Users in Portugal

- The young adult / adult population are more likely to use the Internet in Portugal, according to eMarketer
- 28% of all Internet users are between 15-24 years old, while another 28% are between 25-34
- Those within the 35-44 age group take up a 21% share of the entire online population in Portugal
- Meanwhile, 13% of the online population are aged 45-55, while 7% are aged 55-64
- Seniors aged 65+ take up a 3% share of the entire online population





Internet Advertising Spend Expected to Rise

- Advertising in Portugal is still dominated by traditional media, but Internet advertising spend is trending upward year over year
- In 2013, \$45 million will be spent on Internet advertising in Portugal, an increase of \$5 million from 2012
- Next year, advertisers in Portugal will spend an estimated \$52 million advertising online, which is expected to surpass newspaper advertising for the first time
- As Internet ad spend continues to grow, naturally it will take a larger share of total media spending

Demographic Profile of Social Network Users in Portugal

- 30% of all social network users in Portugal are teens and young adults (ages 15-24)
- 28% of the social networking population are aged 25-34, while 21% are between 35-44 years old
- Those aged 45 take a 21% share of all social network users in Portugal
- When evaluating the genders of social media users, about 55% of social network users in Portugal are male, while 45% are female

Ad Spending in Portugal, by Media, 2005-2014
millions

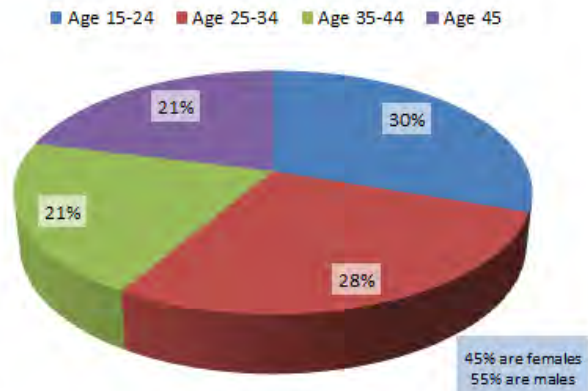
	2005	2010	2011	2012	2013	2014
TV	\$719	\$661	\$581	\$521	\$530	\$560
Outdoor	\$158	\$146	\$134	\$114	\$118	\$121
Magazines	\$206	\$154	\$122	\$103	\$103	\$103
Radio	\$77	\$63	\$63	\$63	\$64	\$65
Newspapers	\$97	\$64	\$53	\$47	\$47	\$47
Internet	\$7	\$34	\$38	\$40	\$45	\$52
Cinema	\$9	\$5	\$5	\$4	\$4	\$4
Total	\$1,273	\$1,128	\$996	\$892	\$911	\$952

Note: converted at the exchange rate of US\$1=€0.72; numbers may not add up to total due to rounding
 Source: ZenithOptimedia, "Advertising Expenditure Forecasts," June 2012; provided by Starcom MediaVest Group, June 2012

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Demographic Profile of Social Network Users in Portugal, 2011 (% of total)



Source: Marktest, "2011 Bareme Internet," 2012; provided by Starcom, MediaVest Group, June 1, 2012. Cited in an eMarketer report in 2012.

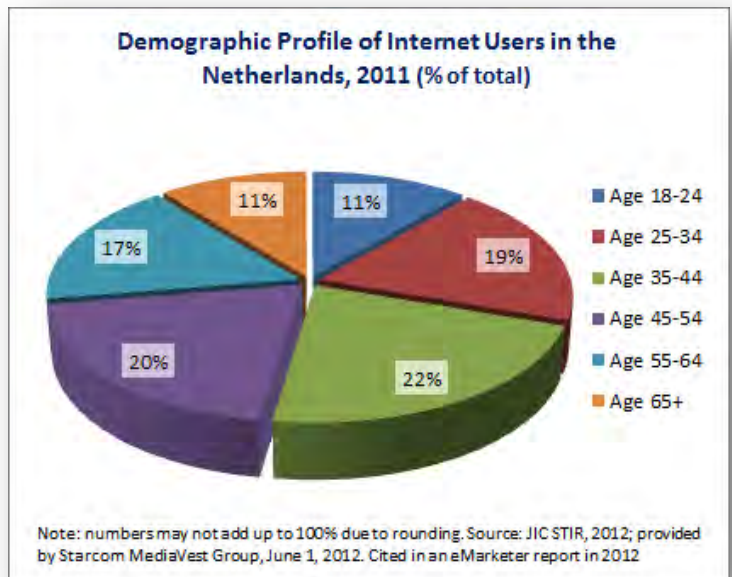
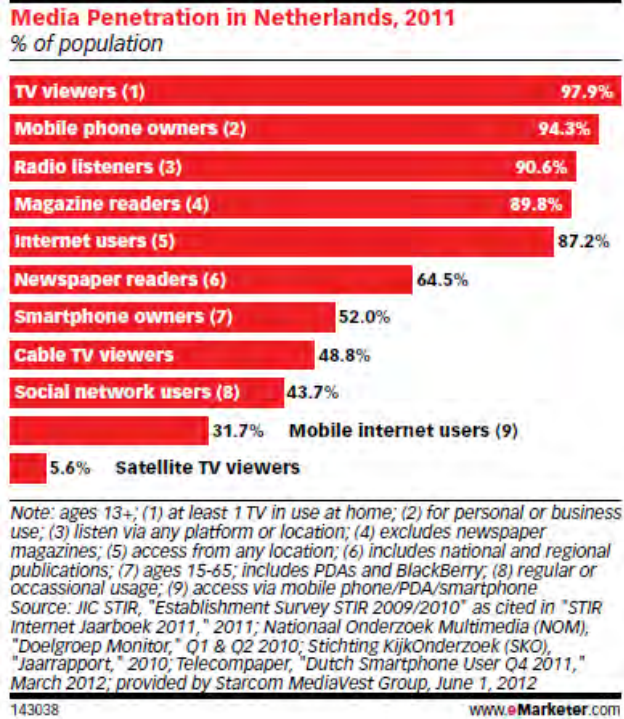


Media Penetration in the Netherlands

- 87.2% of the Netherlands population are Internet users
- One of the online activities they're engaging in is social networking, as 43.7% of the Netherlands population are also social network users
- 94.3% of people in the Netherlands are mobile phone owners, and 52% have smartphones
- Meanwhile, 31.7% of the Netherlands population browse the Internet on their mobile devices

Age Demographic of Internet Users in the Netherlands

- The majority of Internet users in the Netherlands are adults aged 35 and up
- 22% of the online population in the Netherlands are between 35-44 years old, while 20% are between 45-54
- 17% are in the 55-64 age group, and 11% are seniors aged 65+
- Meanwhile, those aged 25-34 represent 19% of the total online population in the Netherlands, and 18-24 year olds take an 11% share





Online Ad Spend Will Surpass TV Advertising This Year

- In 2013, Internet ad spending in the Netherlands will reach €1.35 billion, which is expected to surpass TV ad spend for the first time
- Though online ad spend will triumph TV advertising, it will still fall under newspaper ad spend this year
- However, this is expected to change in 2014 as €1.4 billion will be spent advertising online surpassing both TV and newspaper advertising spend
- As the Internet continues to grow in popularity, naturally it will take a larger share of total media ad spend in the years to come

Age Demographic of Mobile Internet Users

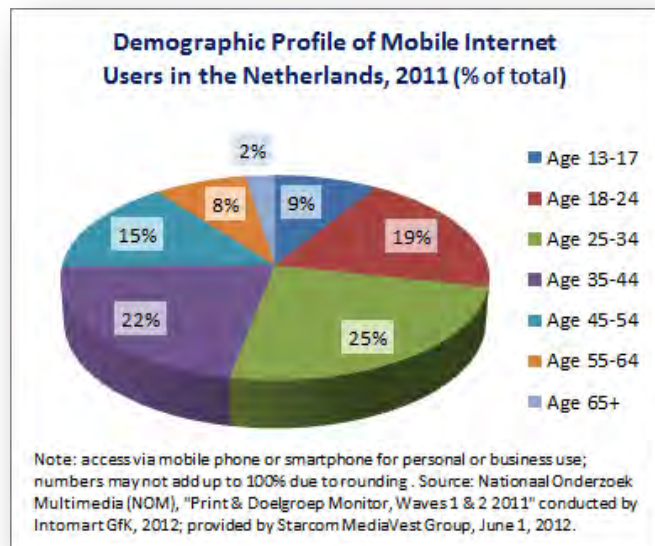
- 25% of all those who log onto the web from their mobile devices are between 25-34 years old
- Meanwhile, 22% of mobile web browsers are aged 35-44
- Those in the 18-24 age group take up a 19% share of mobile Internet users in the Netherlands
- 15% of mobile web users are aged 45-54, while 8% are 55-64 years old

Ad Spending in Netherlands, by Media, 2005-2014
millions

	2005	2010	2011	2012	2013	2014
Newspapers	€1,991	€1,636	€1,513	€1,448	€1,405	€1,374
TV	€1,068	€1,200	€1,314	€1,340	€1,340	€1,354
Internet*	€135	€1,161	€1,232	€1,299	€1,353	€1,399
Magazines	€1,084	€761	€672	€652	€629	€617
Radio	€332	€320	€320	€315	€314	€312
Outdoor	€210	€209	€220	€223	€228	€230
Cinema	€10	€7	€7	€8	€8	€8
Total	€4,829	€5,293	€5,278	€5,286	€5,277	€5,293

*Note: converted at the exchange rate of US\$1=€0.72; numbers may not add up to total due to rounding; *display, classifieds, search and other*
Source: ZenithOptimedia, "Advertising Expenditure Forecasts," June 2012; provided by Starcom Mediavest Group, June 1, 2012

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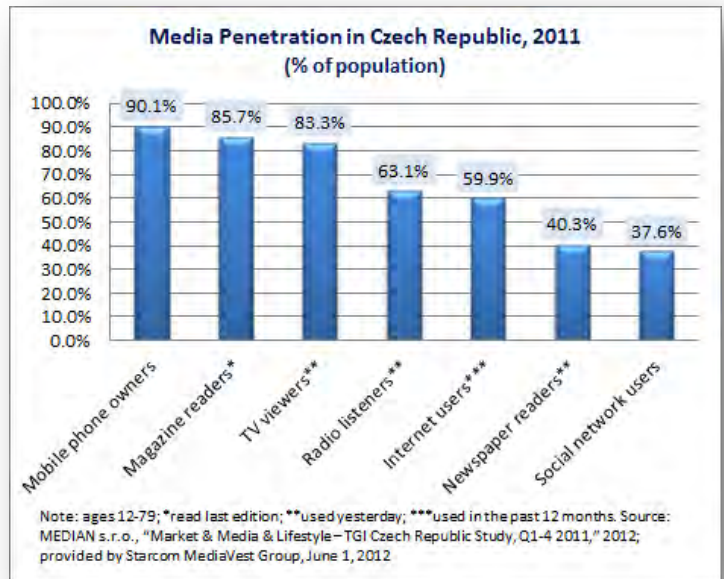


Media Penetration in Czech Republic

- When reviewing the media penetration in Czech Republic, we see that the Internet, mobile phones and social networks are among the top media used
- 59.9% of Czech Republic residents are Internet users
- Engaging in social media is a popular online activity as 37.6% of the online population admit to being social network users
- 90.1% of the Czech population are mobile phone owners, which means it's likely some of them are browsing the web on their mobile devices

Internet Advertising Spend Still Dominates Most Traditional Channels

- Internet advertising in Czech Republic will reach \$361 million in 2013, an increase from the \$317 million spent advertising online in 2012
- Online ad spend will reach \$401 million in 2014, while traditional media spends (ie: magazines, newspapers, outdoor and radio) will either decrease or stay the same
- In Czech Republic, Internet advertising spend remains strong just under TV advertising



Ad Spending in Czech Republic, by Media, 2005-2014

millions

	2005	2010	2011	2012	2013	2014
TV	\$615	\$656	\$676	\$697	\$722	\$751
Internet*	\$33	\$220	\$268	\$317	\$361	\$401
Magazines	\$247	\$236	\$220	\$203	\$199	\$199
Newspapers	\$229	\$214	\$182	\$154	\$143	\$137
Outdoor	\$82	\$80	\$87	\$85	\$85	\$85
Radio	\$102	\$70	\$63	\$56	\$57	\$58
Cinema	\$5	\$5	\$4	\$5	\$5	\$5
Total	\$1,314	\$1,481	\$1,500	\$1,516	\$1,572	\$1,636

Note: converted at the exchange rate of US\$1:CZK17.70; numbers may not add up to total due to rounding; *display and search
Source: ZenithOptimedia, "Advertising Expenditure Forecasts," June 2012; provided by Starcom MediaVest Group, June 2012

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