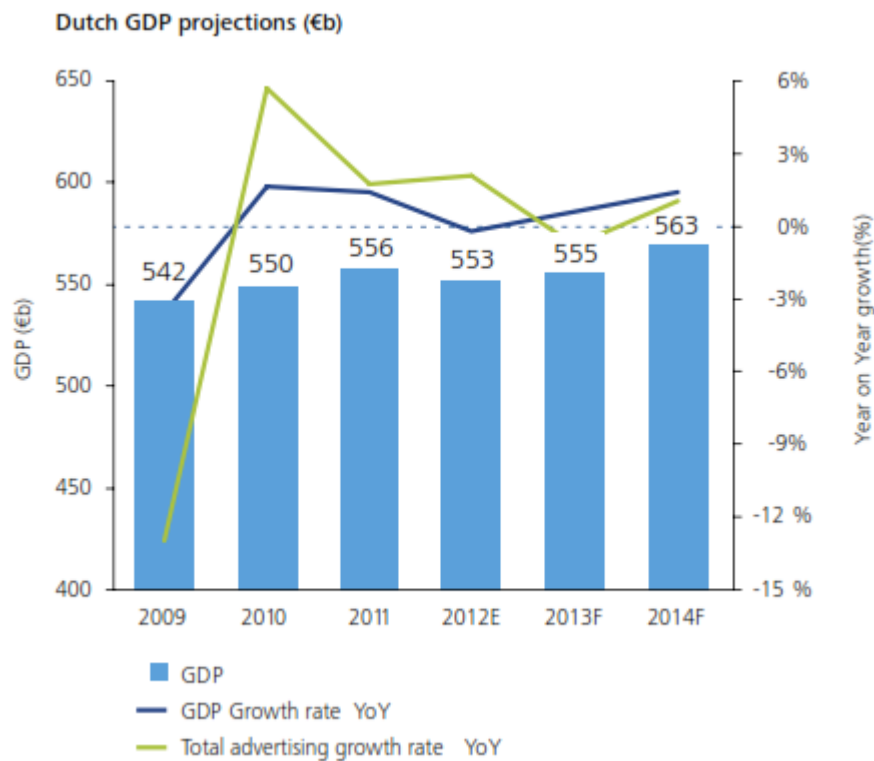


IAB report on Online Ad Spend The Netherlands 2012



Dutch economy

The economic outlook for the Netherlands remains challenging, resulting in a weak advertising market



Dutch advertising market

Internet is the largest advertising market and continues to grow and outperform other mediums even under challenging economic circumstances

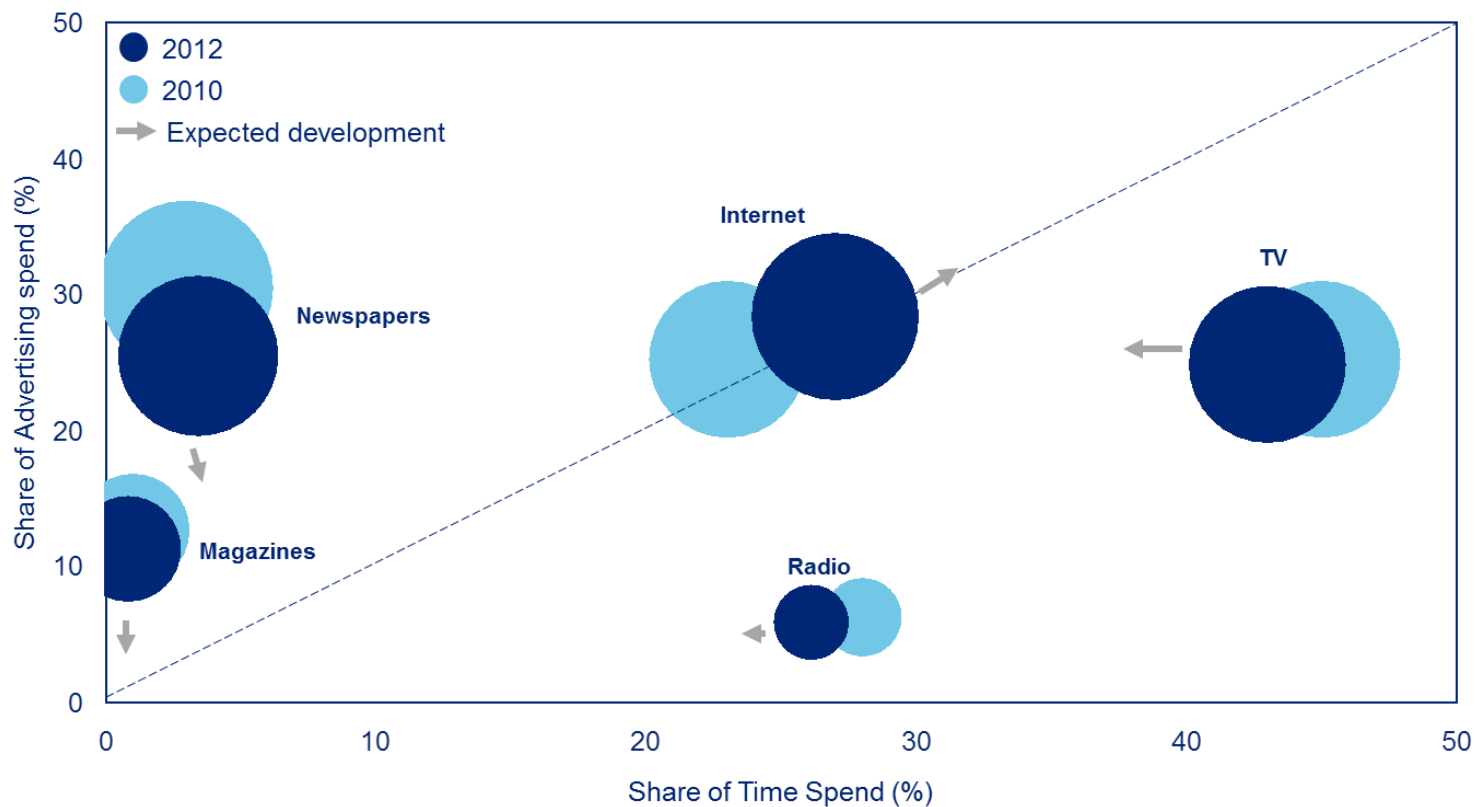
Estimated advertising market (€m)



Legend	CAGR* 2009-2012	Growth forecast 2013
Cinema	0.0%	0.0%
Outdoor	3.1%	3.1%
Radio	-0.3%	-4.1%
Magazines	-6.8%	-4.3%
TV	2.8%	-2.0%
Print	-4.1%	-3.0%
Internet	12.4%	8.5%

Time spend

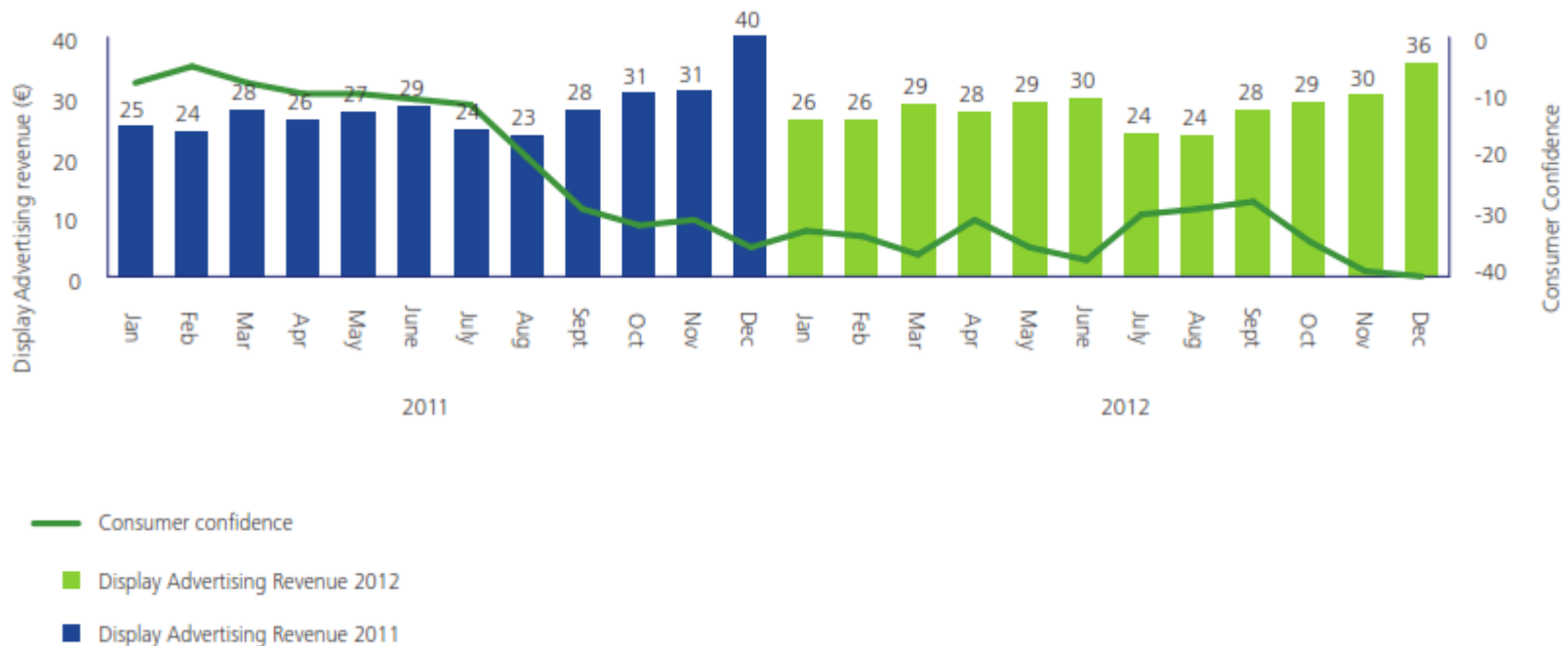
Internet has been growing its relative share of advertising, as well as the relative share of time spend on the different mediums



Consumer confidence

Consumer confidence which dipped in H2 2011 has remained low throughout 2012 impacting the display advertising revenue

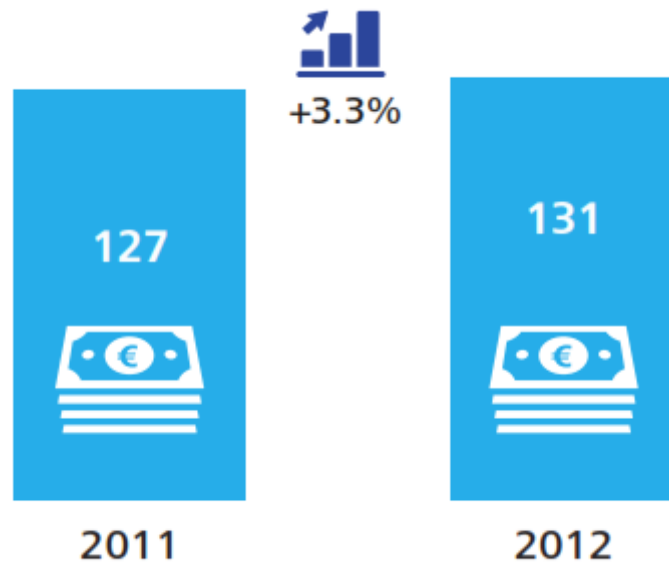
Display advertising revenue vs. consumer confidence (2011, 2012)



2012 Results

Affiliate marketing

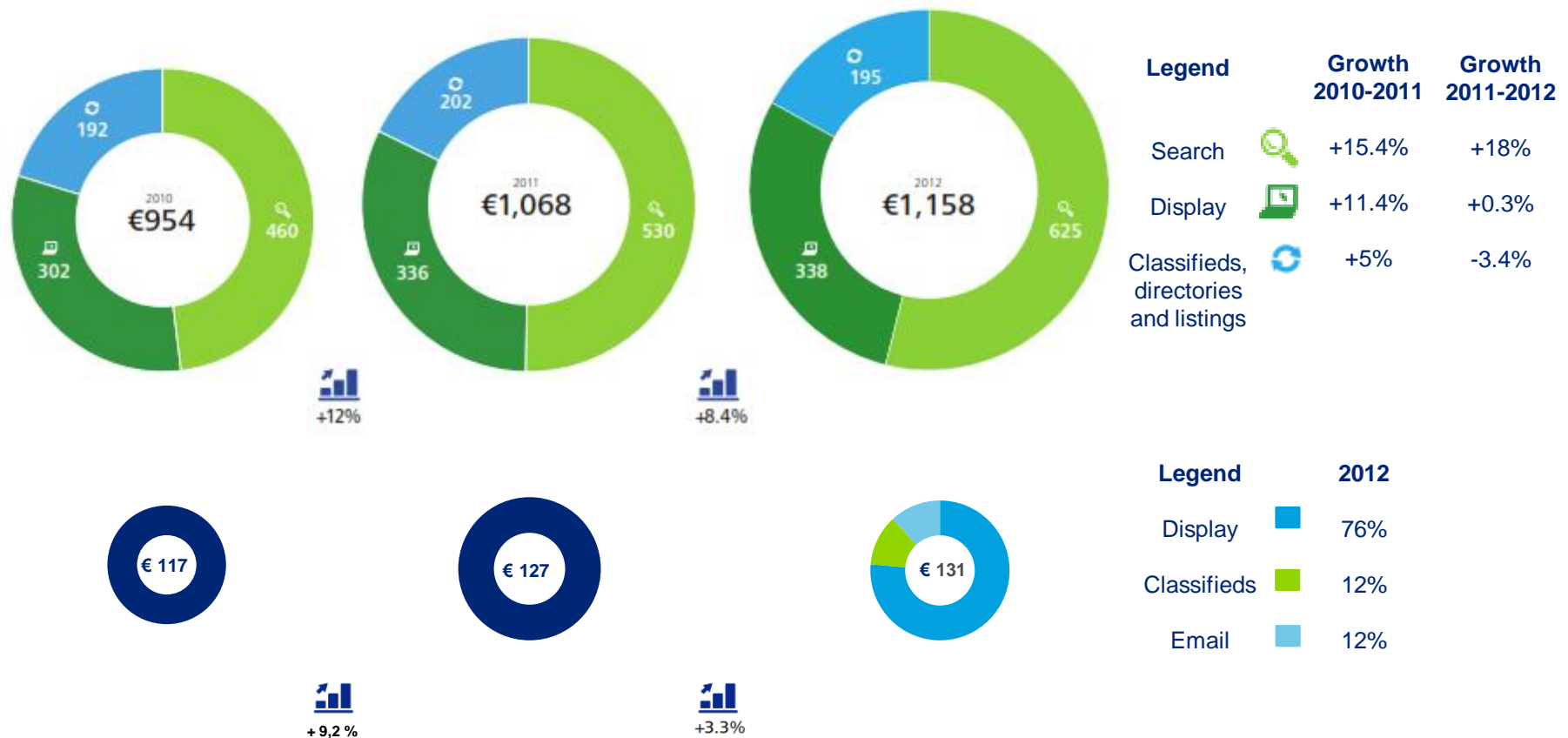
Under challenging circumstances spend on affiliate marketing in The Netherlands has increased by 3.3% to €131 million



Online advertising market

Search is the main contributor to the growth of the online advertising market; the growth of Display and Classifieds is slowing down

Revenue by advertising category (€m)

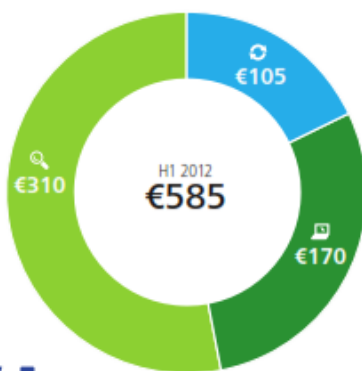
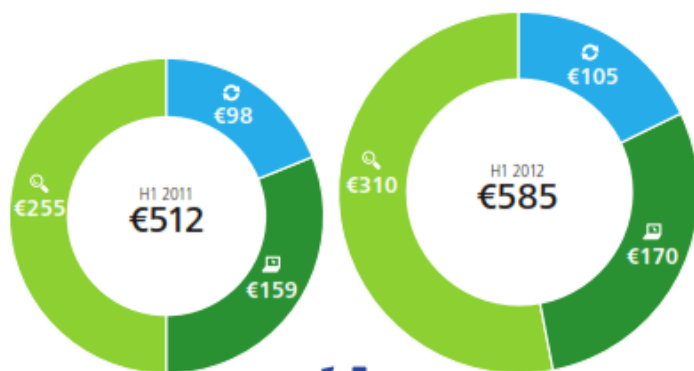


Search revenue is our estimation of all revenue of Google and its competitors in The Netherlands

Online advertising market

Overall growth has slowed down considerably in the second half of 2012, Display and Classifieds' revenue declined compared to the second half of 2011. Affiliate marketing doesn't show this pattern, relative stable during the year with some peaks as result of: Sale periods (fashion), holiday bookings (travel) , healthcare insurance (finance)

Revenue by advertising category (€m)



YOY%



+21.6%



+6.5%



+7.1%

January - June

YOY%



+14.7%

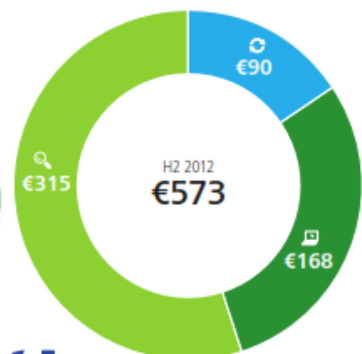
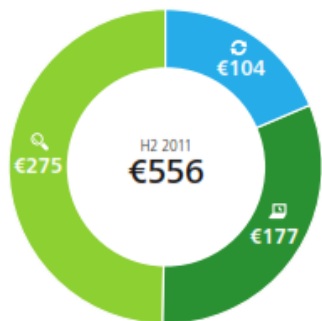


-5.2%



-13.2%

July - December



Affiliate

H1 2012



45%

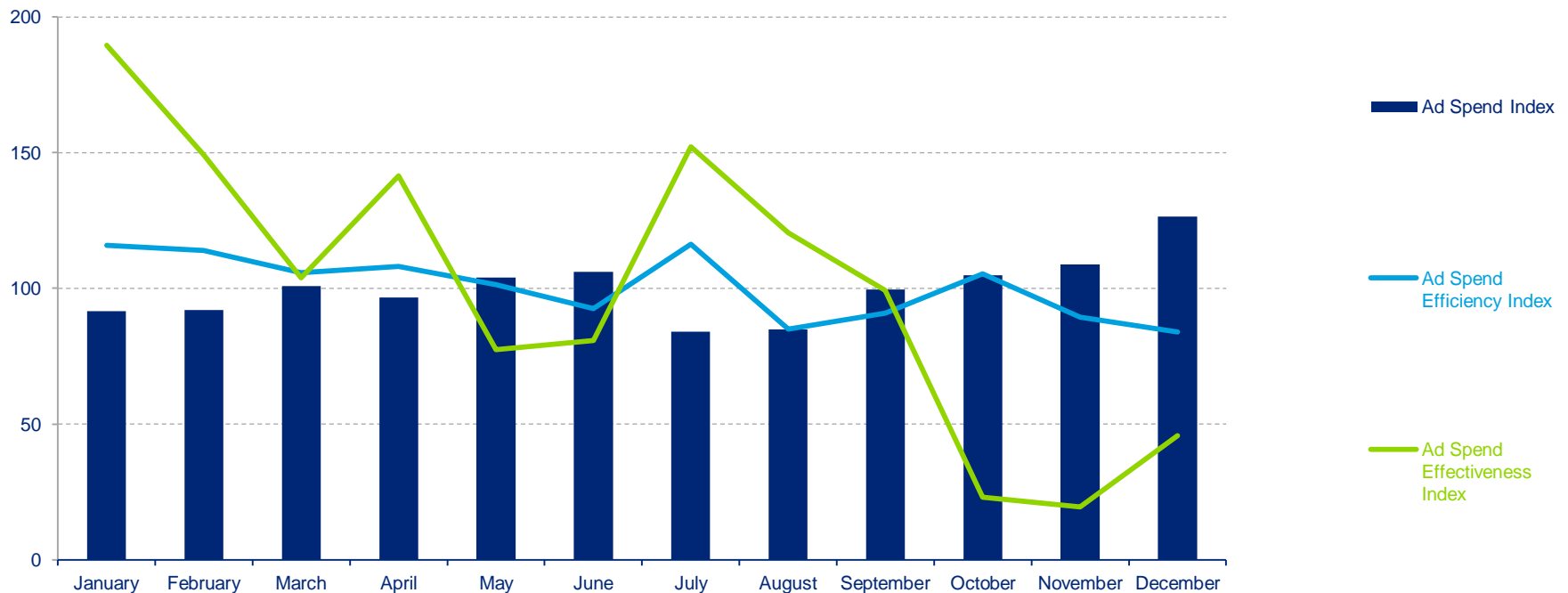
H2 2012



55%

Ad Spend Efficiency Index & Ad Spend Effectiveness Index

“The drop in activity during summer seems fully compensated by the lower Ad Spend. Moreover, consumers’ increased ‘Willingness To Buy’ increases the Ad Spend Effectiveness. Apparently, the stock markets’ proverb ‘*Go away in May*, but remember to be back in September*’ does not hold for the Online Ad Spend market.”



* A recent paper by Jacobsen and Zhang proved that over 300 years, in the UK, the ‘sell in may’ strategy consistently and significantly outperformed the markets

Factors affecting ad spend affiliate marketing

Cookielaw:

- Insecurity about enforcement by OPTA → Advertisers were reserved towards performance advertising
- A lot of time is invested by networks, advertisers and publishers on development of policies and technical solutions without direct benefits, resulting on negative effects on turnover



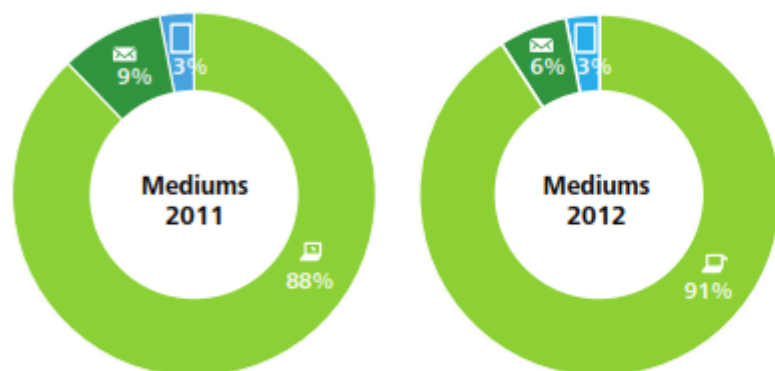
Conversion Attribution

- The customer journey and “fair” commission models get more and more important
- Specific technologies and settings can have negative impact on affiliate campaign
- Shift of budgets/ ad spend to other channels due to deduplication among online channels

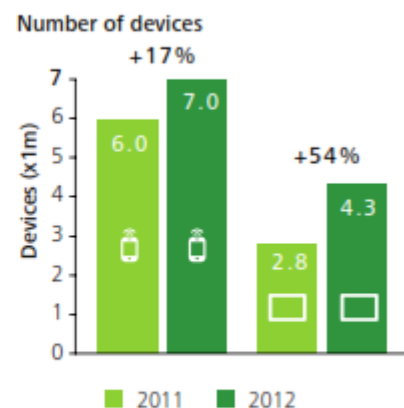
Display revenue per medium

Growth for mobile advertising was strong, however it is growing from a small base and remains a relatively small part of total advertising

Display advertising revenue per device



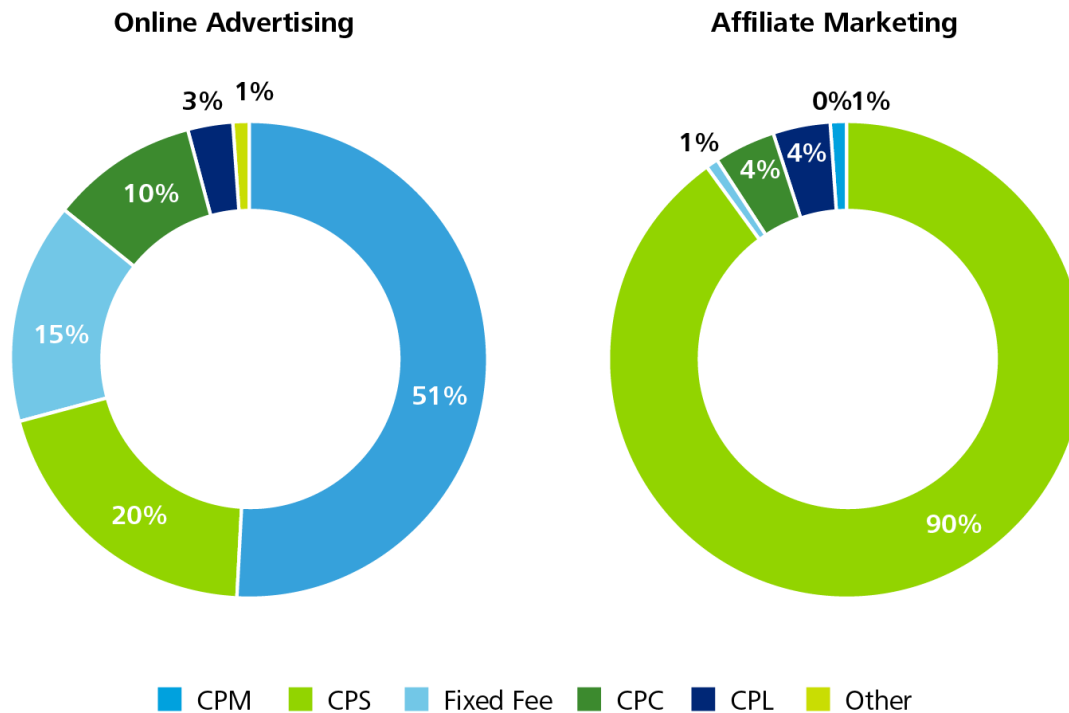
Website/browser In-app / Mobile website E-mail



Smartphone Tablet

- Websites not fully optimized for mobile yet (advertiser & publisher)
- Tracking on mobile websites / Apps is lacking
- Share of email read on mobile device
- Effects on share of affiliate market

Payment Models



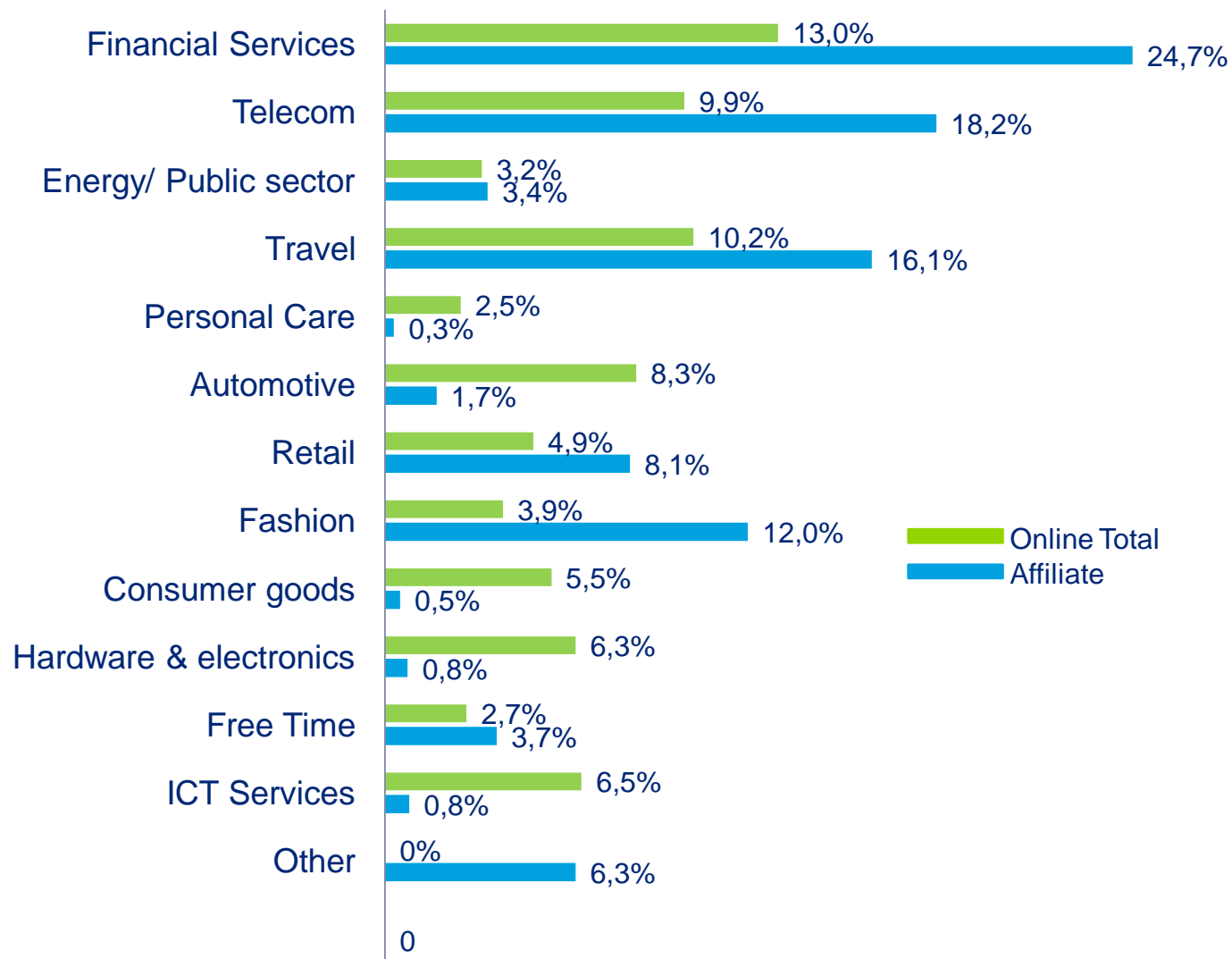
- Decrease Email marketing → decrease CPL
- Crisis: CPS model is “safe” option
- Growth automated trading: keeps CPC / CPM stable whereas a decline would have taken place

Industries

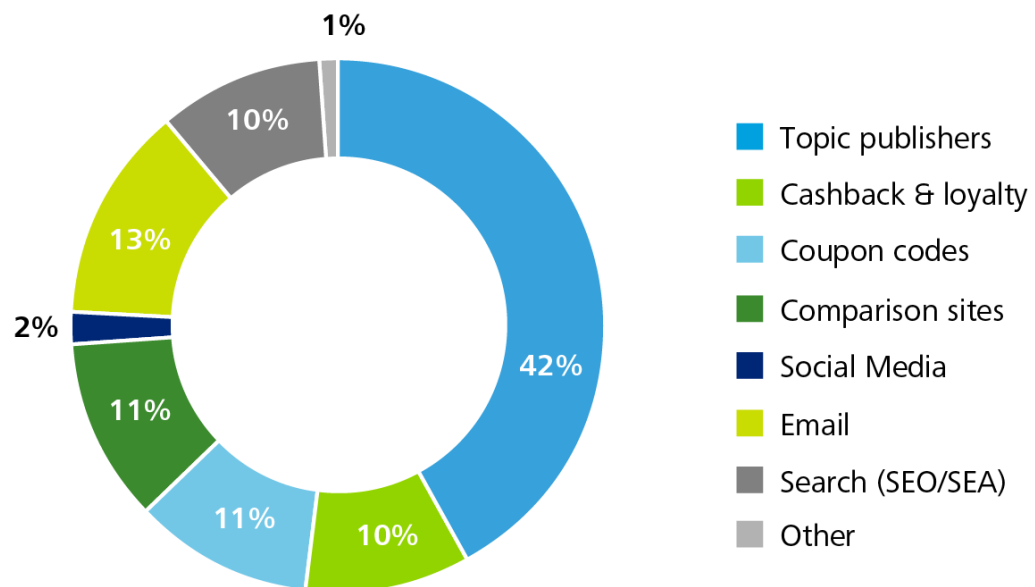
Automotive and Consumer Goods have lost relative share in advertising spend, whilst Travel and ICT Services show most growth



Industries: total online ad spend vs. affiliate



Publisher Models



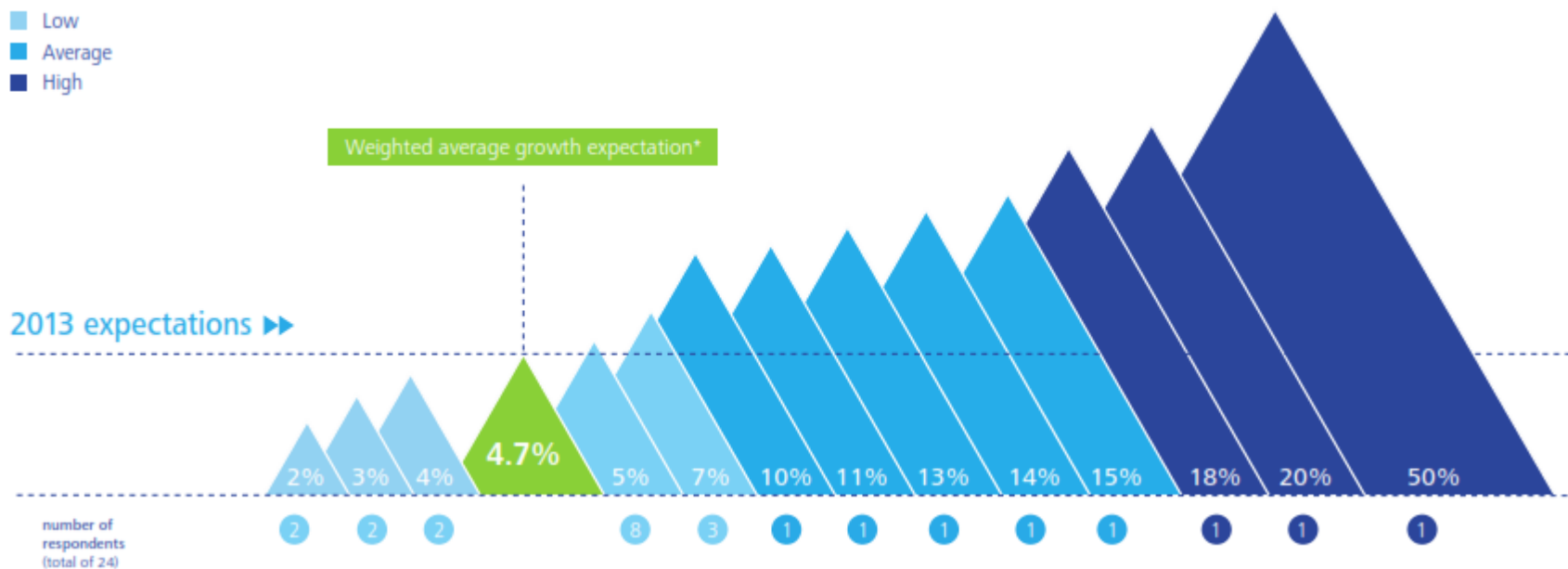
Outlook

Revenue growth expectations

Respondents predict a 4.7% market growth in 2013

Survey respondents growth expectations (% market growth per respondent)

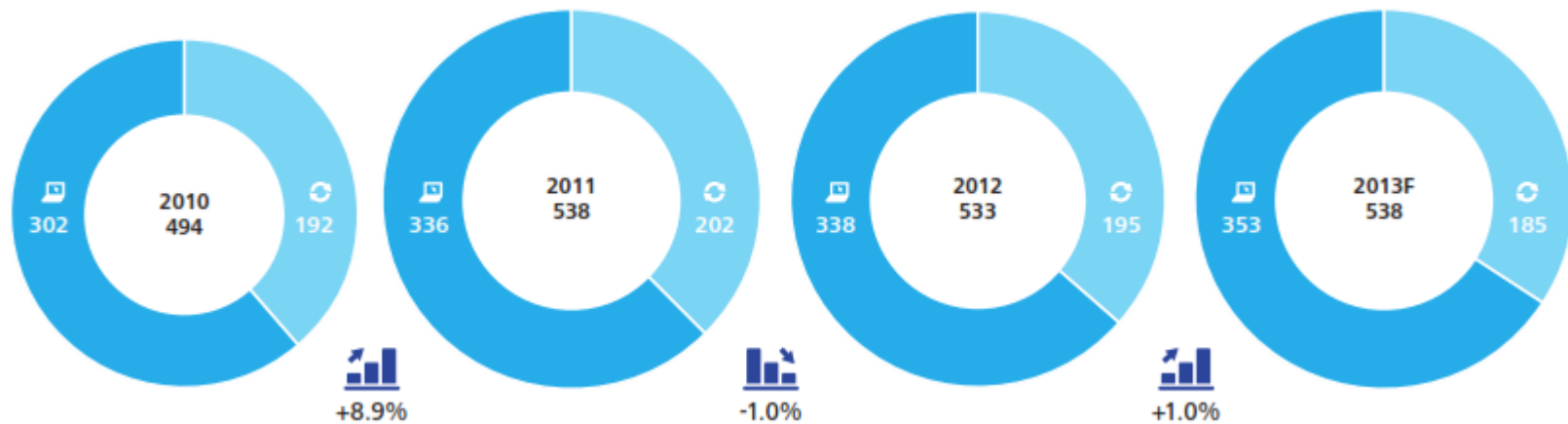
- Low
- Average
- High





Display and classified revenue forecast

Display is expected to grow by 4.5% in 2013, with classifieds likely to decline by 5% resulting in a relatively flat 2013 for most Dutch publishers

Display and classified revenue forecast 2013 (€m)



Legend	CAGR 2010– 2011	Growth 2012– 2013
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 Display	+ 5.8%	+ 4.5%
 Classifieds, directories and listings	+ 0.8%	– 5%

Expectations Affiliate Marketing 2013

General

- Market Growth of 5-15%
- All networks expect network growth
- Retail will be the industry with the highest growth rate, Telecom will decline
- The cookie law will affect the turnover negatively.
- Effects of economic and regulatory developments can affect the market negatively

Channels

- Email marketing will decline
- Mobile will be the highest growth channel
- Quality of publishers will get more important
- Conversion attribution and deduplication will affect the networks negatively
- RTB can win market share at the cost of affiliate marketing, but effects are depended on legislation regarding privacy.

Technology

- Conversion attribution will get more important, and possible implemented as technology within the systems of networks
- Growth of importance of data and technology to control and optimize campaigns
- Integration of RTB and affiliate marketing



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