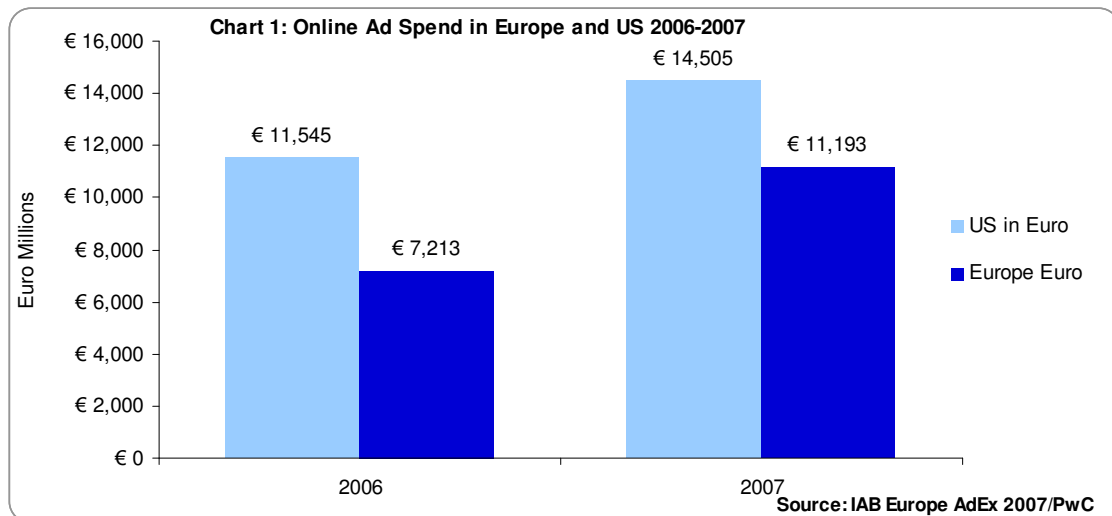


Online advertising in Europe surges 40% to €11 billion in 2007

European market closing the gap on the US

Berlin 2nd June 2008: The Interactive Advertising Bureau Europe (IAB Europe) has just released the findings of its annual advertising expenditure survey for the year ending December 2007. Compiled by IAB Europe and then processed and analyzed by PricewaterhouseCoopers (PwC), this report is the definitive guide to the size and value of the European online advertising industry. With some analysts predicting that advertising on traditional media may be impacted by an economic slowdown*, the research shows that online advertising continues to grow apace, experiencing an average growth rate of 40% year-on-year across the 16 countries covered in the report.

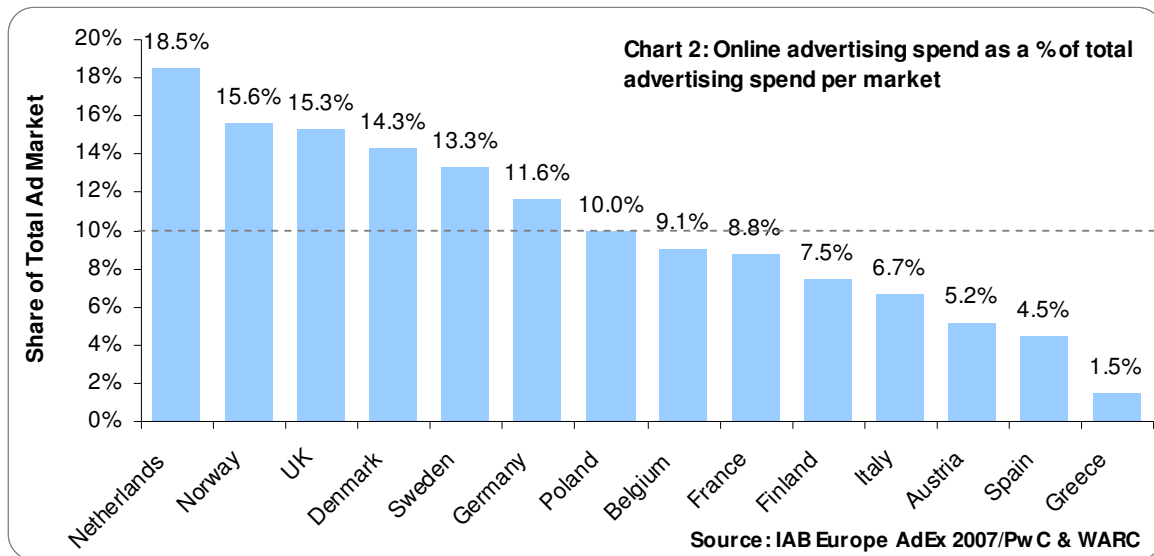
In 2007 the European online advertising market was worth €11.2 billion, up four billion euros from €7.2 billion in 2006. With a like-for-like growth rate of 40%, the European online advertising market shows signs of closing the gap on the US which grew 26% to a market value of €14.5 billion in the same period. (Chart 1)



Two thirds (65% or €7.3 billion) of European online ad budgets were spent in the big three markets of the UK, Germany and France. However some of the smaller markets in our report enjoyed very high growth rates – Greece at 91%, Spain at 55% and Slovenia at 49%.

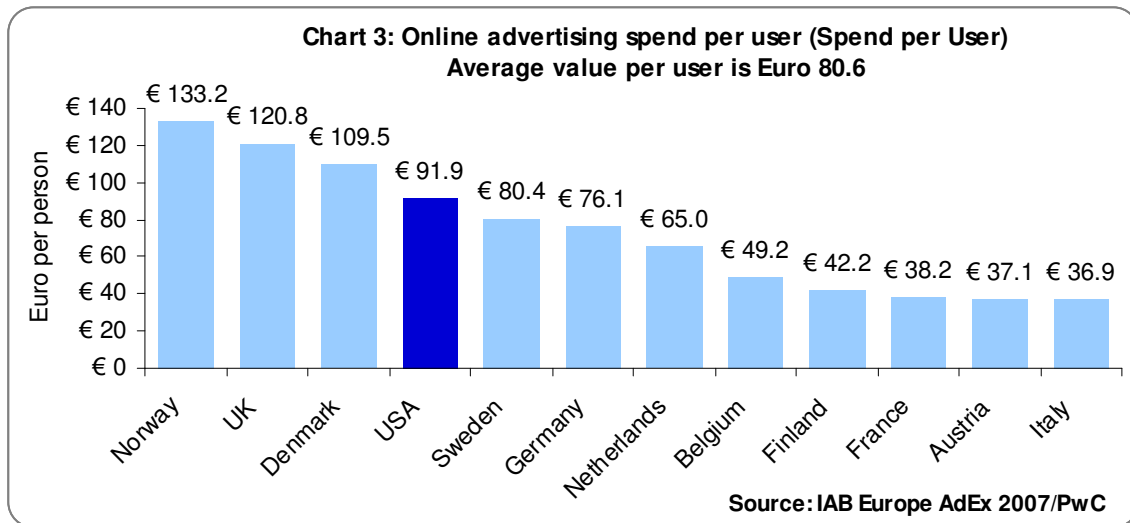
“10 before 10”

The report also reveals the share that online advertising has of the total advertising spend in key markets (Chart 2). Alain Heures, President of IAB Europe says “We are well on the way to achieving the “10 before 10”- that is 10 European countries where online advertising accounts for at least 10% of overall ad spend by the year 2010. At the end of 2007 Denmark, Germany, Netherlands, Norway, Poland Sweden and the UK had all reached this milestone.”



What’s an Internet user worth to an advertiser?

IAB Europe/PwC have created a measure ‘Spend per user’ to illustrate the value of one Internet user to an advertiser in the different markets. With the European average at €80.6, Norwegian advertisers spent the most at €133.2 per person, followed by the UK at €120.8 and Denmark at €109.5 in 2007 (Chart 3). In the US advertisers spent €91.9 per person in 2007. The more mature the market, the higher the value placed on the Internet user by the advertisers.



The big category spenders

Industry category data has been included in the report for the first time and reveals that the sectors investing the most in online advertising in 2007 were Entertainment & Leisure, Telecoms and Finance & Insurance. In particular, advertisers from the Entertainment & Leisure sector, which spends the most money at present, have taken advantage of the interactive and social media formats on the web to promote their products and services.

Alain Heureux, President of IAB Europe concludes "Despite a slowdown in advertising spend on some traditional media, the rise of online advertising in Europe continues unabated. Not only is the growth coming from some of the smaller markets which are seeing significant increases in their market value, but also from the more mature countries as companies move their advertising budgets online for the first time."

Nicki Lynas, Senior Manager at PwC said "The development of the more mature markets in Europe is a sign that they are seeing increasing amounts of investment from a wider range of advertisers than ever before."

Ends

Note to Editors: The data has been 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 2007 including Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, the Netherlands, Norway, Poland, Slovenia, Spain, Sweden, Turkey and the UK. Poland, Norway, Sweden and Turkey were new to the research in 2007 so no comparative figures are available.
*Screen Digest <http://www.screendigest.com/press/releases/FHAN-7CANKM/pressRelease.pdf>

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To contact IAB Europe or for more information about the conference www.interactcongress.eu where this research is being presented on 2nd and 3rd June 2008, please contact Catherine Borrel
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About IAB Europe

IAB Europe is a federation of national Interactive Advertising Bureaux (IAB) and trade association partners 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, agency, portal, technology and service provider, its voice represents the interest of more than 4500 members. IAB Europe coordinates activities across the region including research, lobbying, setting standards and best practices. The member countries are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Netherlands, Norway, Poland, Slovenia, Spain, Turkey and the UK. For more information, please see www.iabeurope.ws

About PricewaterhouseCoopers

The member firms of the PricewaterhouseCoopers network provide industry-focused assurance, tax and advisory services to build public trust and enhance value for its clients and their stakeholders. More than 146,000 people in 150 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice. Unless otherwise indicated, 'PricewaterhouseCoopers' refers to PricewaterhouseCoopers LLP (www.pwc.com/uk) a limited liability partnership incorporated in England. PricewaterhouseCoopers LLP is a member firm of PricewaterhouseCoopers International Limited. For PricewaterhouseCoopers press enquiries only please contact Anna White: anna.r.white@uk.pwc.com.

Explanatory note on IAB Europe/PwC AdEx figures: *How were the figures reached?*

Each national IAB runs its own annual online advertising spend benchmark study and the IAB Europe AdEx figure is based on these results. As the methodology for the studies varies country by country, the nature of this project is to represent the figures in such a way as to make them realistically comparable. This involves:-

- Readjusting figures to allow for different original methodologies. Readjustment rates have been supplied by groups of local market experts
- Estimating data for certain formats in certain countries. Where local IAB studies do not include data on a given format, weighted averages for similar markets have been applied to give an estimated value for the format
- Where local data is collected in a currency other than Euros, the year end exchange rate at 2007 has been used to convert this to Euros. To provide data for prior year growth rates, the prior year figures have also been re-calculated using the 2007 year end exchange rate in order to give transparency over the growth rate. IAB Europe is not revaluing the markets in these countries, but simply making the adjustments necessary to make the figures comparable
- A note on France. The figures for France for 2006 are an estimation based on the 2007 figures supplied by IAB France/France Pub.

Other information about the figures:

- Figures quoted are gross figures (i.e. actual invoiced value of the media sold, including agency commission)
- All estimates and readjustments are conservative
- All estimates and readjustments have been subject to approval from local market experts and industry analysts
- We are confident that our figures provide a robust and fair representation of the European internet advertising market based on the IAB Europe network's knowledge of the market.

If you have any questions about the data in this report please contact Nicki Lynas at PricewaterhouseCoopers at nicki.lynas@uk.pwc.com. For methodology queries please contact Catherine Borrel at the IAB Europe at Catherine@iab-belgium.be.