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PRO INTERNETOVOU
REKLAMU

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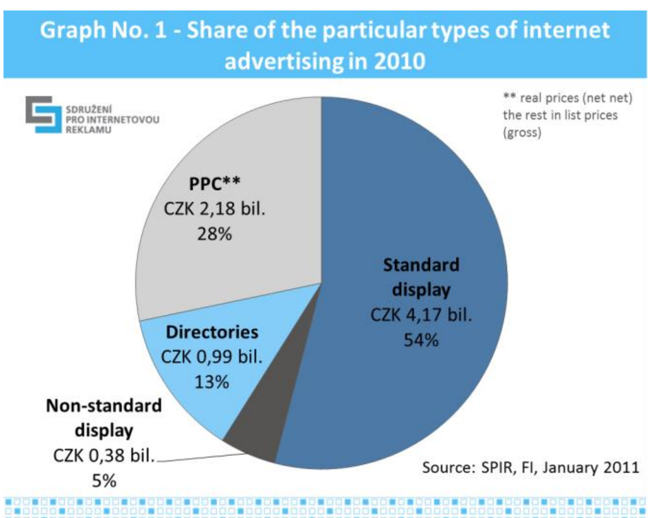
Press Release

PRAGUE February 8, 2011 – **Internet Advertising Reports 7.7 billion Czech Crown Expenditures for Last Year**

Total internet expenditures by domestic advertisers in 2010 was 7.7 billion Czech crowns. For 2011, internet media operators estimate a 24% rise in expenditures compared to last year. In the form of display advertising, advertisers invested over 4.5 billion Czech crowns last year, and 985 million Czech crowns into catalog advertising in gross. In PPC systems, (pay-per-click, performance marketing), advertisers spent almost 2.2 billion Czech crowns in net-net prices. Internet as a media type thus achieved a nearly 13% share of overall investments into advertising for 2010, and was in third place behind television and print media. The results come from research surveys realized by Factum Invenio, a market research agency, for the Association of Internet advertising (SPIR).

The majority consist of display advertising, which is still in first place with advertisement submitters, at least according to book prices. According to estimates of SPIR members, the market share of particular forms of advertisement will not change significantly. The absolute performance of particular types of advertising and their distribution in 2010 can be seen in graphs number 1, number 2, and in table number 1.



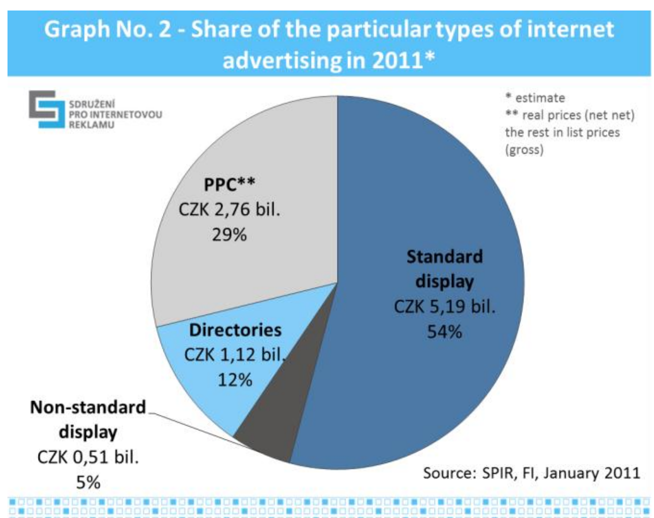


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Table number 1: **Market Share of Particular Forms of Internet Advertisement in 2010 and Estimates for 2011**

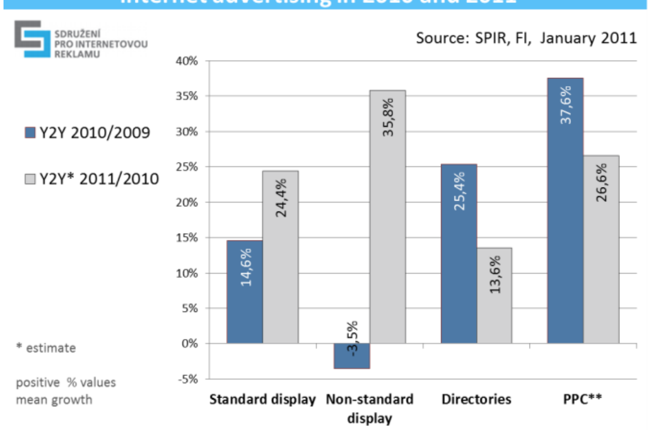
	2010	2011 (estimate)	Y2Y % 2011/2010 (estimate)
Standard display*	4 172 690 544 CZK	5 191 333 426 CZK	24,4%
Non-standard display*	376 342 348 CZK	511 080 470 CZK	35,8%
Directories*	985 444 708 CZK	1 119 077 398 CZK	13,6%
PPC**	2 181 976 244 CZK	2 762 909 674 CZK	26,6%
Total	**7 716 453 844 CZK**	**9 584 400 968 CZK**	**24,2%**

**list prices (gross)* ***real prices (net net)*

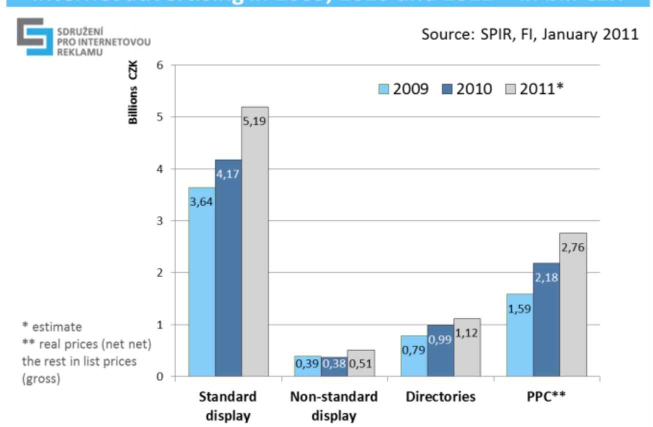
Source: SPIR, FI, January 2011

The total advertisement performance for last year consists of segments measured by project AdMonitoring, which registers display campaigns in standard advertisement formats. The performance of other forms of internet advertisement - non-standard display advertisement, PPC advertisement (search a context) and advertisement in directories (catalogs), were created on the basis of declared performance of individual providers of content, agencies, and PPC system operators, conducted by the research agency Factum Invenio. Since last year's advertisement estimates, SPIR uses a separate methodology for calculating PPC advertisement.

Graph No. 3 - Y2Y growth of the particular types of internet advertising in 2010 and 2011*



Graph No. 4 – Performance of the particular types of internet advertising in 2009, 2010 and 2011 * in bil. CZK



The year-to-year expected growth rate according to advertisement type can be seen in graph 3. It is expected that non-standard advertisement will rise the most this year, despite the fact that it slightly fell last year contrary to predictions. The comparison of absolute advertisement expenditures according to the type of advertisement in 2009, 2010 and this year's estimate is illustrated in graph 4. Last year, the market share of standard display advertisement slightly fell from 57% to 54%, while the PPC

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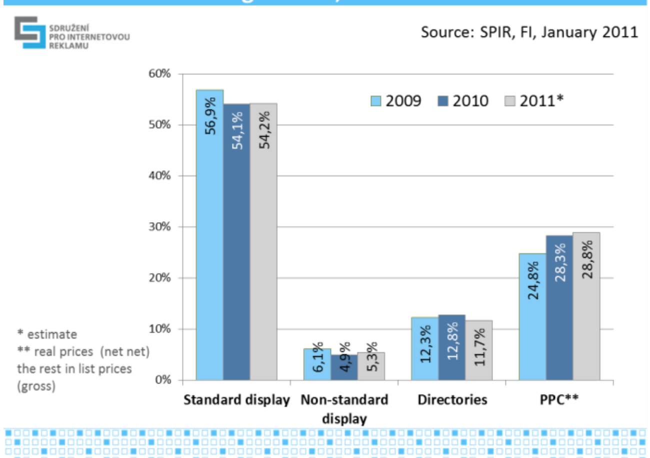
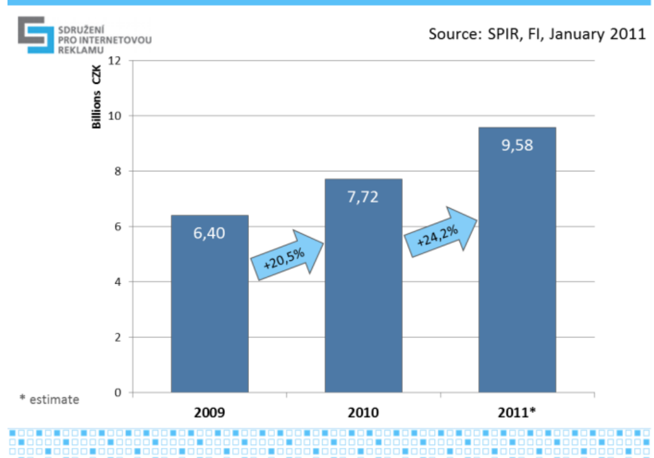
advertising share rose from 25% to 28%, as shown in graph 5. The actual year-to-year 20.5% growth in total internet advertising expenditures exceeded expectations, as those queried last year estimated a rise of only 17.7%. For this year, estimated total expenditure growth is 24%, as shown in graph 6.

Graph No. 5 – Share of particular types of internet advertising in 2009, 2010 and 2011*



Graph No. 6 – Development of absolute advertisement expenditures into the internet advertising in 2009, 2010 and 2011* in bil. CZK



When we compare the performance of internet with the performance of other media (graph 7 and table 2 in gross prices, without endowment and self promotion) for last year, taken from the monitoring of advertising performance by Kantar Media a.s. corporation, then internet as a media type placed in third place, with 7.7 billion Czech Crowns in expenditures, behind television and print. Other media, such as radio, outdoor, or cinemas are lower. The total internet share on all advertising expenditures reached almost 13% last year, 3% more than in 2009. The same internet market share is also reported by the monitoring of advertising performance by Admosphere s.r.o., a firm which this year for the first time published data for the entire market according to particular media types for 2010.

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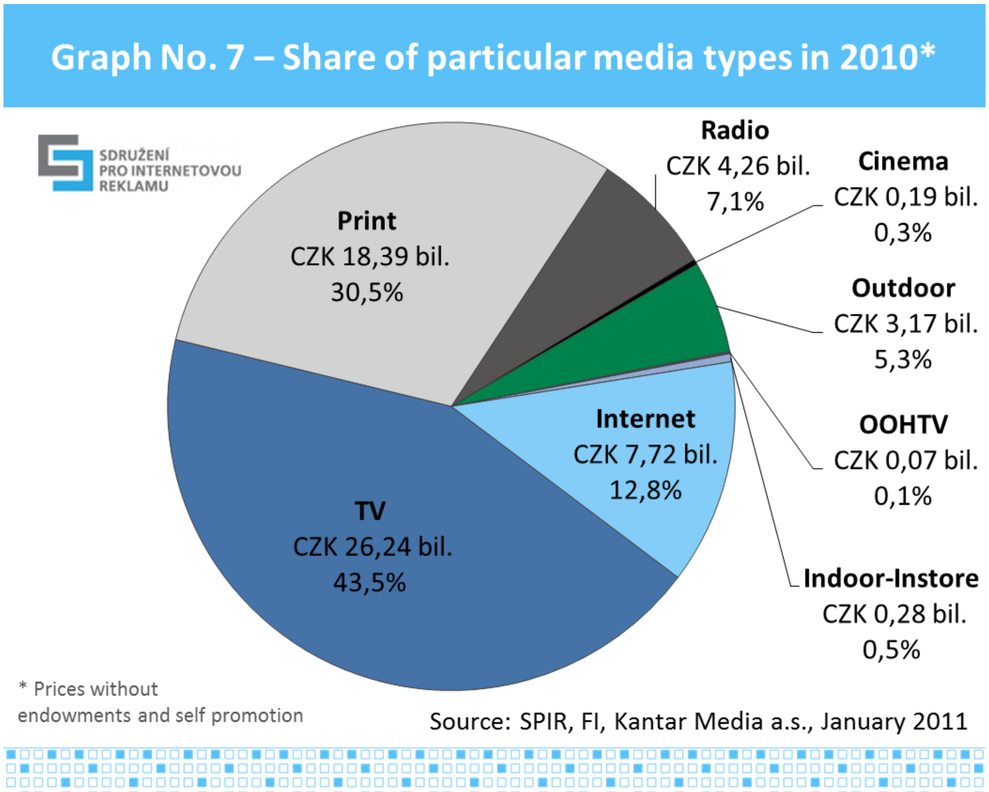

"From the statistics and comparisons it is evident that internet, of all media types, is practically the only one that can maintain a strong expansion dynamic. The numbers describing the advertising market only confirm how dramatically the preferences of users and advertisers are changing. This trend should continue in the future," said SPIR chairman Ján Simkanič in commenting the results of the survey.

Table 2: **Advertising Performance Share of Individual Media Types in 2010**

	2010	Share of total in %
TV	26 236 680 830 CZK	43,5%
Print	18 391 677 326 CZK	30,5%
Internet	7 716 453 844 CZK	12,8%
Radio	4 263 611 246 CZK	7,1%
Outdoor	3 169 949 146 CZK	5,3%
Indoor-Instore	278 394 090 CZK	0,5%
Cinema	185 172 674 CZK	0,3%
OOHTV	65 989 332 CZK	0,1%
Total	**60 307 928 488 CZK**	**100,0%**

prices without endowments and self promotion

Source: SPIR, FI, Kantar Media a.s., January 2011

Note: PPC means payments for clicks (pay-per-click). It is an advertising payment model in where payments are made for actual visitors brought in, not for the number of displays or amount of time as is the case with banner advertising, for example, or with priority postings in catalogs. In web search machines, PPC advertising is usually displayed on the right of the search results or also in top positions. In content web sites, PPC advertising is displayed on the right or below the particular article.

Description of Methodology: *In the interest of objectivity and the protection of sensitive data, the processing of results was delegated to the Factum Invenio agency. The investigation occurred in January and February of 2011, and was thus based on actual annual reports of individual subjects. Of the 46 prominent advertising media operators addressed, 26 actively participated (a 57% return rate). By using data from the AdMonitoring project, data from 31 media operators were obtained. To obtain amounts for individual PPC systems, 5 PPC system operators and 47 agencies were addressed (media, SEM specialized, web-development). Of these, 3 PPC system operators and 29 agencies actively participated, which represents a 60% return rate for PPC systems as well as for agencies. A return rate above 50% for media, PPC systems, and agencies is unusually high for this kind investigation. Also important is the fact that it was precisely those companies with the dominant market share that actively participated. This is another reason why the presented results can be considered to be trustworthy. Subjects who did not participate in the inquiry are included in aggregated data.*

A description of the forms of internet display advertising can be found here.

SPIR is a professional association engaged in the area of internet advertising since the year 2000. At the present time the membership base consists of 66 members. In addition to conducting individual, widely respected research of visitation and the socio-demographic profile of internet visitors through NetMonitor, it is also conducting the AdMonitoring project of internet advertising, the professional internet marketing conference IAC, provides expert analyses of the development of the internet market, and is a self-regulator of audiovisual content.

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