

A large, stylized funnel graphic is positioned on the left side of the slide. It is composed of several overlapping, semi-transparent layers in shades of green and grey, creating a 3D effect. The funnel narrows from top to bottom, pointing towards the bottom right corner of the slide.

Advertising Spending Trends

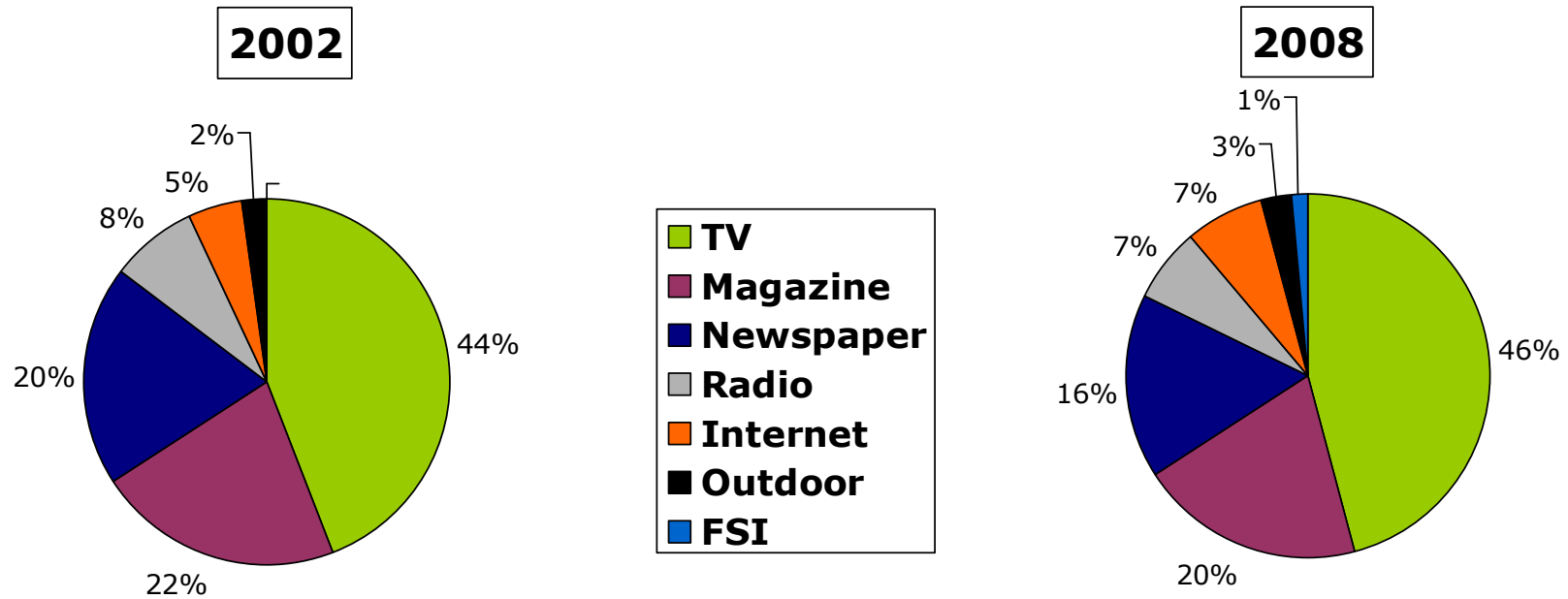
An Analysis of 2002 and 2008 Media Spending Data

Monthly Focus Topic



Verso simple.

U.S. Measured Media – All Advertisers



2002 Measured Ad Spending = 117.3 Billion

2008 Measured Ad Spending = 142.0 Billion

Top 20 Advertisers



2002

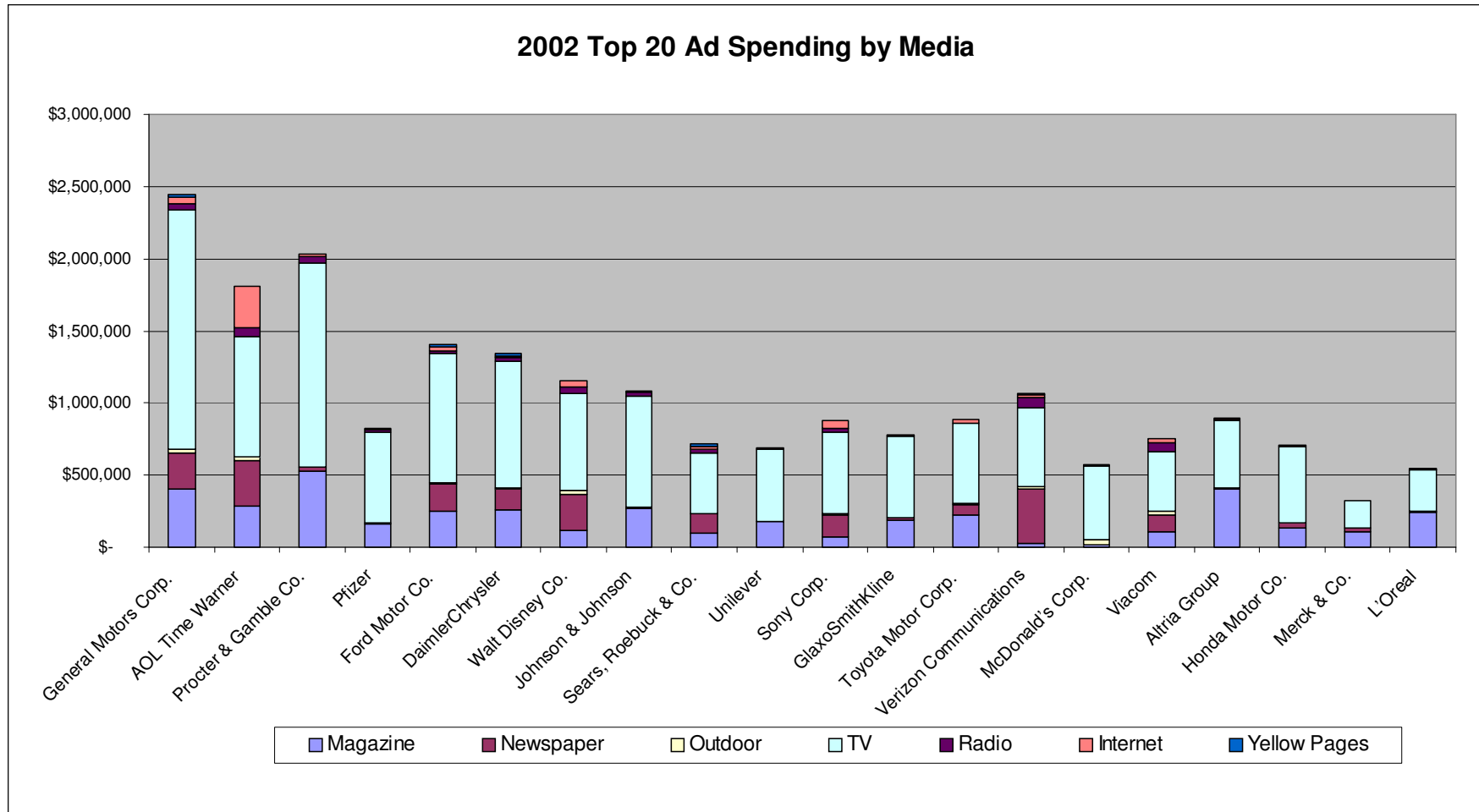
Marketer	2002 Total Spending (\$ Millions)	Share of Top 20
General Motors Corp.	\$ 3,652	10%
AOL Time Warner	\$ 2,923	8%
Procter & Gamble Co.	\$ 2,673	7%
Pfizer	\$ 2,566	7%
Ford Motor Co.	\$ 2,252	6%
DaimlerChrysler	\$ 2,032	6%
Walt Disney Co.	\$ 1,803	5%
Johnson & Johnson	\$ 1,799	5%
Sears, Roebuck & Co.	\$ 1,661	5%
Unilever	\$ 1,640	4%
Sony Corp.	\$ 1,621	4%
GlaxoSmithKline	\$ 1,554	4%
Toyota Motor Corp.	\$ 1,553	4%
Verizon Communications	\$ 1,527	4%
McDonald's Corp.	\$ 1,336	4%
Viacom	\$ 1,260	3%
Altria Group	\$ 1,206	3%
Honda Motor Co.	\$ 1,193	3%
Merck & Co.	\$ 1,158	3%
L'Oreal	\$ 1,118	3%
TOTAL Top 20	\$ 36,527	100%

2008

Marketer	2008 Total Spending (\$ Millions)	Share of Top 20
Procter & Gamble Co.	\$ 4,838	11%
Verizon Communications	\$ 3,700	8%
AT&T	\$ 3,073	7%
General Motors Corp.	\$ 2,901	7%
Johnson & Johnson	\$ 2,529	6%
Unilever	\$ 2,423	6%
Walt Disney Co.	\$ 2,218	5%
Time Warner	\$ 2,208	5%
General Electric Co.	\$ 2,019	5%
Sears Holdings Corp.	\$ 1,865	4%
Ford Motor Co.	\$ 1,856	4%
GlaxoSmithKline	\$ 1,827	4%
Toyota Motor Corp.	\$ 1,690	4%
L'Oreal	\$ 1,673	4%
Walmart	\$ 1,660	4%
Bank of America Corp.	\$ 1,650	4%
Anheuser-Busch InBev	\$ 1,587	4%
Sprint Nextel Corp.	\$ 1,500	3%
Sony Corp.	\$ 1,465	3%
JP Morgan Chase	\$ 1,357	3%
TOTAL Top 20	\$ 44,039	100%

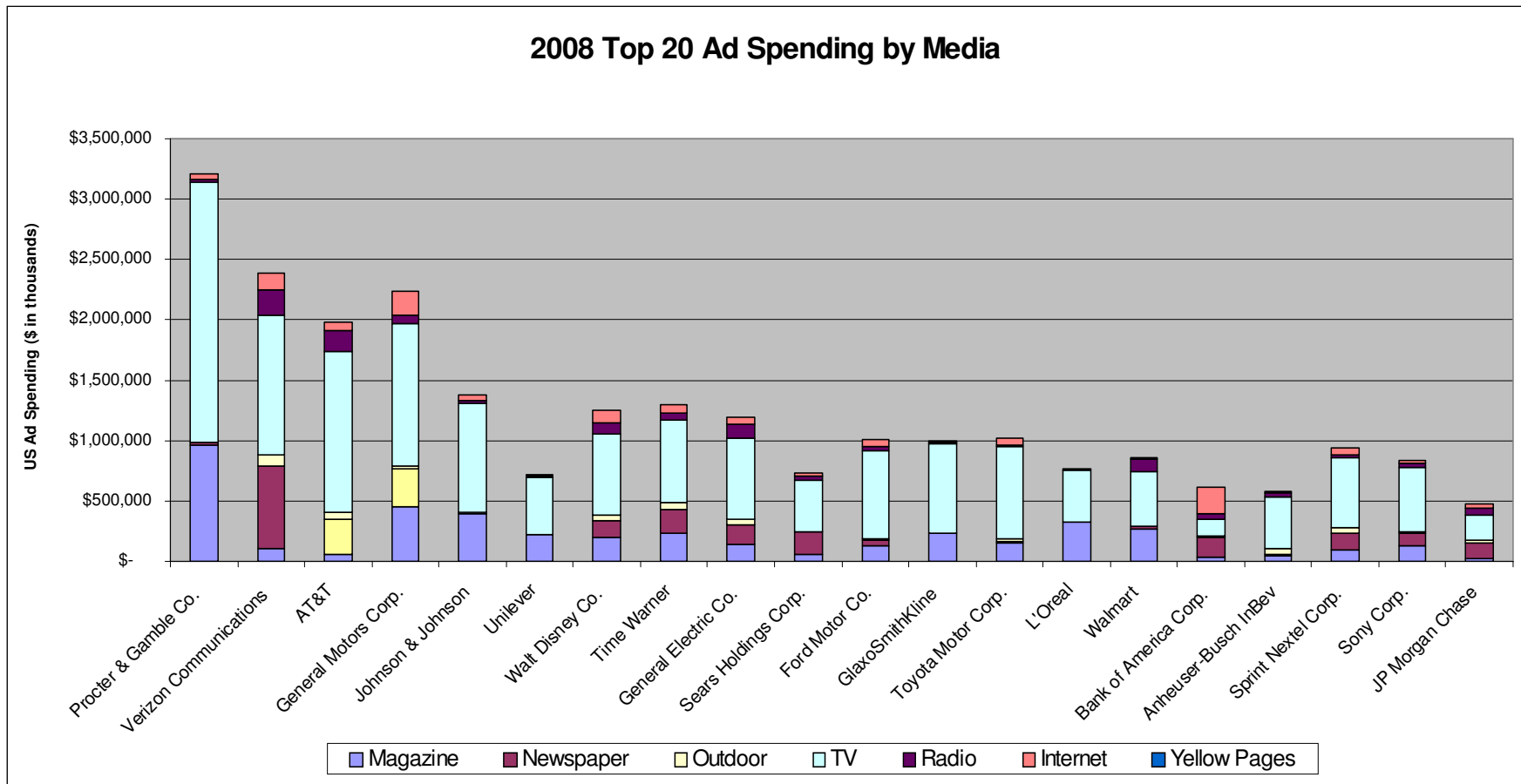
Total spending includes measured media as well as estimates for unmeasured media, such as direct marketing and promotion. Highlighted companies appear in Top 20 in '02 and '08.

Top 20 Ad Spending on Measured Media (2002)



The top 20 marketers spent \$20.9 billion on measured media in 2002, including \$4.1 billion on magazine.

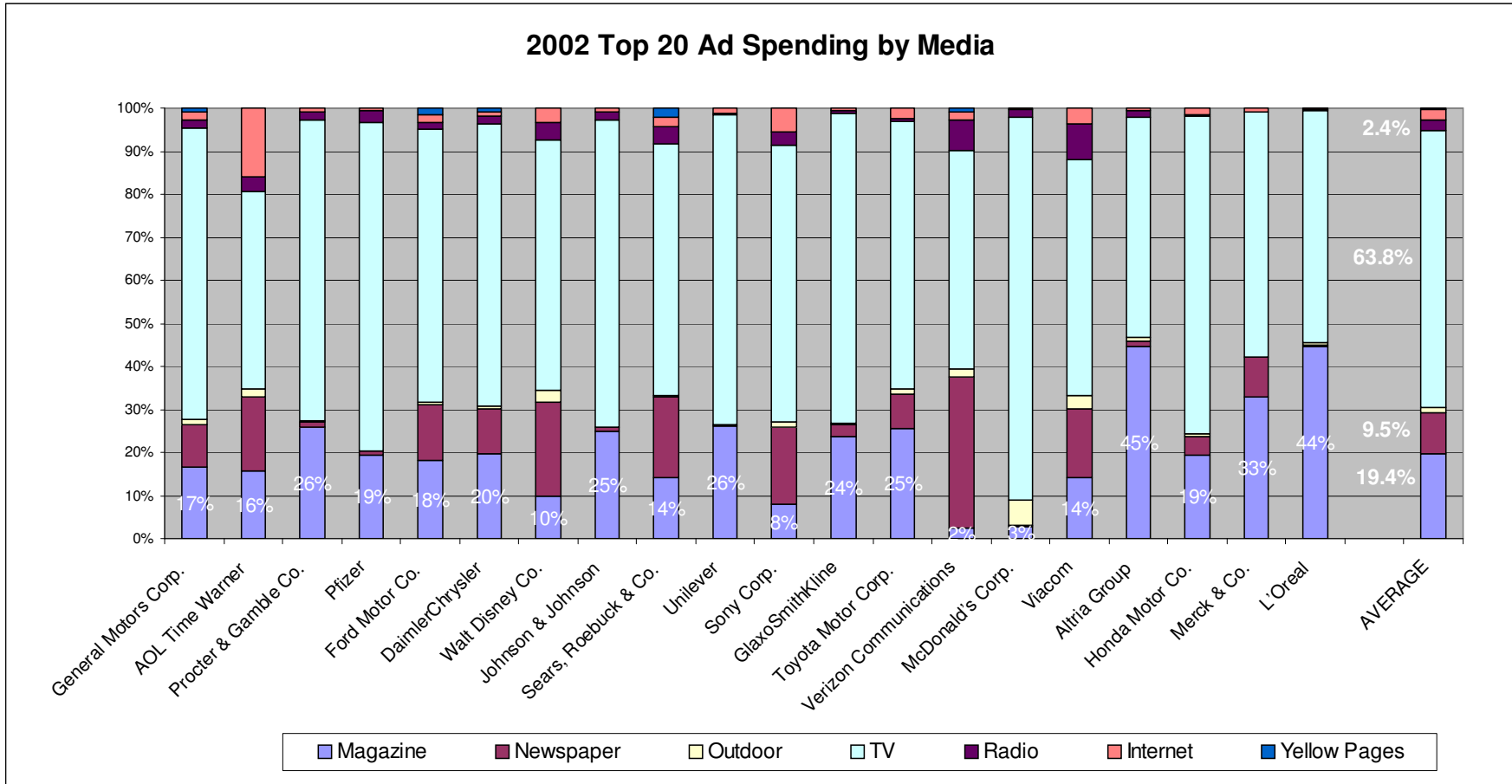
Top 20 Ad Spending on Measured Media (2008)



The top 20 marketers spent \$24.8 billion on measured media in 2008, including \$4.1 billion on magazine.

2002 – Top 20 Advertisers

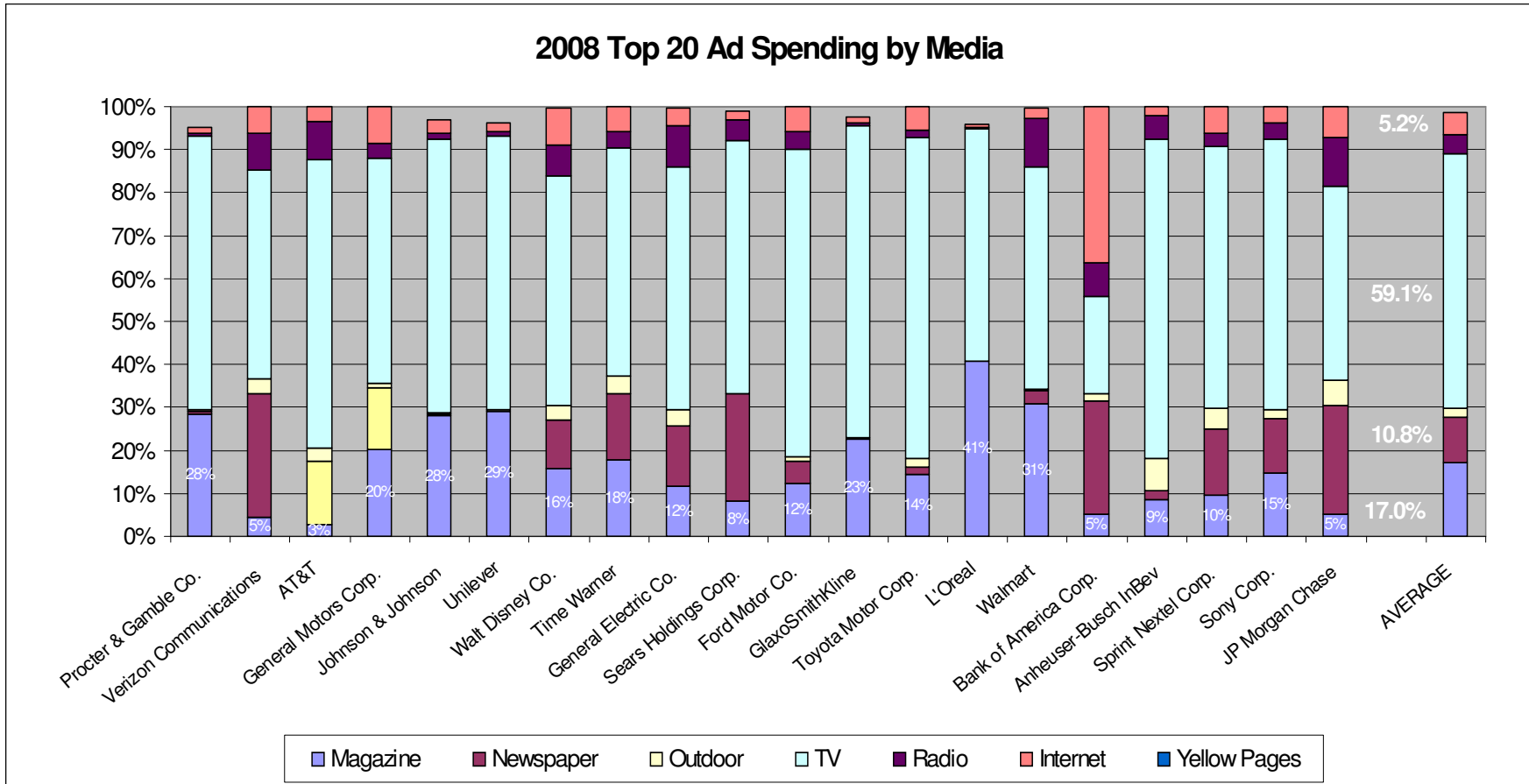
share of total measured spend by media



In 2002, the internet accounted for only 2% of measured spend for the top 20; Magazines represented 19%

2008 – Top 20 Advertisers

share of total measured spend by media



In 2008, the internet represented 5% of measured spend and Magazines accounted for 17%

Key Findings



- Total measured ad spending grew 21% from \$117.3 billion in 2002 to 142.0 billion in 2008
 - TV continues to be the most dominant form of measured media, gaining 1.7 share points during the period
 - Newspaper suffered the largest share loss (-3.2%), followed by Magazine (-1.4%) and then Radio (-1.0%)
 - Internet is experiencing the fastest share growth (+2.0%), but it still represents a relatively small dollar amount of overall measured ad spending (\$9.7 billion, 7% of total measured ad spend in 2008).
- Automotive manufacturers, consumer packaged goods companies, and telecommunications are among the largest marketers, or users of measured and unmeasured media
- The top 20 marketers increased their spending on measured and unmeasured media 21% from \$36.5 billion in 2002 to \$44.0 billion in 2008



Key Findings (cont.)

- Change in company mix among the top 20 marketers during this period reflects the turmoil that is occurring in the automotive sector
 - The top 20 included 5 automotive manufacturers in 2002 (GM, Ford, Daimler Chrysler, Toyota, and Honda)
 - Daimler Chrysler and Honda were not among the top 20 in 2008
- Procter & Gamble continues to dominate the list; While it fell to No. 3 in 2002, the company filled the No. 1 spot again in 2008
- Measured ad spending among the top 20 increased 19% from \$20.9 billion to \$24.8 billion in 2008
- Top 20 advertisers are investing heavily in digital media, with the internet gaining 2.8 share points during the period
- Growth in internet ad spending among the top 20 came at the expense of traditional media, specifically TV and magazines, which lost 4.7 and 2.4 share points, respectively

Analysis of Key Spending Categories Represented in Top 20



\$ (000,000)	Companies Represented In Top 20 (2002)	Companies Represented In Top 20 (2008)	2002 Average Ad Spend	2008 Average Ad Spend	Percent Change (2002-2008)
Automotive	5	3	\$1,360	\$1,422	+5%
Entertainment	4	4	\$1,151	\$1,147	-0.3%
Drugs	4	2	\$752	\$1,223	+63%
Personal Care	3	3	\$1,090	\$1,639	+50%

- When comparing '02 to '08, the **Automotive** companies shown in the top 20 increased their measured ad spend, while there was little change in the **Entertainment** category.
- Companies in the **Drugs** and **Personal Care** categories significantly increased their measured ad spending comparing '08 to '02.

Analysis of Key Spending Categories Represented in Top 20 (cont.)



The tables below shows the breakdown of measured media spend by the groups of companies within each category which were presented on the previous slide

2002								
	Mag	News	TV	Internet	Outdoor	Radio	Yellow Pages	Freestanding Insert
Automotive	19%	10%	66%	2%	1%	1%	1%	0%
Entertainment	13%	18%	54%	9%	2%	4%	0%	0%
Drugs	24%	2%	71%	1%	0%	2%	0%	0%
Personal Care	29%	1%	68%	1%	0%	1%	0%	0%

2008								
	Mag	News	TV	Internet	Outdoor	Radio	Yellow Pages	Freestanding Insert
Automotive	17%	9%	63%	7%	1%	3%	0%	0%
Entertainment	15%	14%	56%	6%	3%	6%	0%	0%
Drugs	26%	0%	67%	3%	0%	1%	0%	3%
Personal Care	31%	1%	62%	1%	0%	1%	0%	4%

See key summary points on the next slide...

Summary of major categories represented in the Top 20 advertisers



- Those in the **Automotive** category among the top 20 shifted their ad spend from Newsprint and TV to, primarily, the internet. Their share of spending on the magazine channel dropped slightly.
- Those in the **Entertainment** category decreased their share of spending on Newspaper, and the internet, while increasing the share spent on Magazine and TV.
- Those leading ad spending in the **Drugs** category increased focus on Magazines; while reducing spend on TV and pulling out of news almost entirely.
- **Personal Care** ad leaders in the top 20 shifted dollars from TV to Free Standing Inserts and Magazine.