



Interactive Advertising Bureau of Canada 



IAB Canada 2006 Actual+ 2007 Estimated Canadian Online Advertising Revenue Survey

www.iabcanada.com



Survey Overview

- Survey largest 87 Canadian Online publishers (derived from Publishers listed on comScore Media Metrix's AdFocus List as research enters the field)
- Survey covers:
 - 2006 Total, Actual Online Advertising Revenue
 - 2006 Total Actuals Segmented By:
 - Type (Display, Search, Classifieds/Directories, E-mail);
 - Language (E/F); and,
 - Advertiser Industry Category
 - 2007 Total, Forecast Online Advertising Revenue
 - Publisher comments re: expectation of achieving 2007 forecast



2006 Canadian Online Advertising Revenue Is \$1.01 Billion!

IAB Canada: Canadian Online Advertising Revenue Trends 2002-2007



Year	Revenue	% Increase
2007 [forecast]	\$1,337 Million	32%
2006 [actual]	\$1,010 Million	80%
2005 [actual]	\$562 Million	54%
2004 [actual]	\$364 Million	54%
2003 [actual]	\$237 Million	37%
2002 [actual]	\$176 Million	

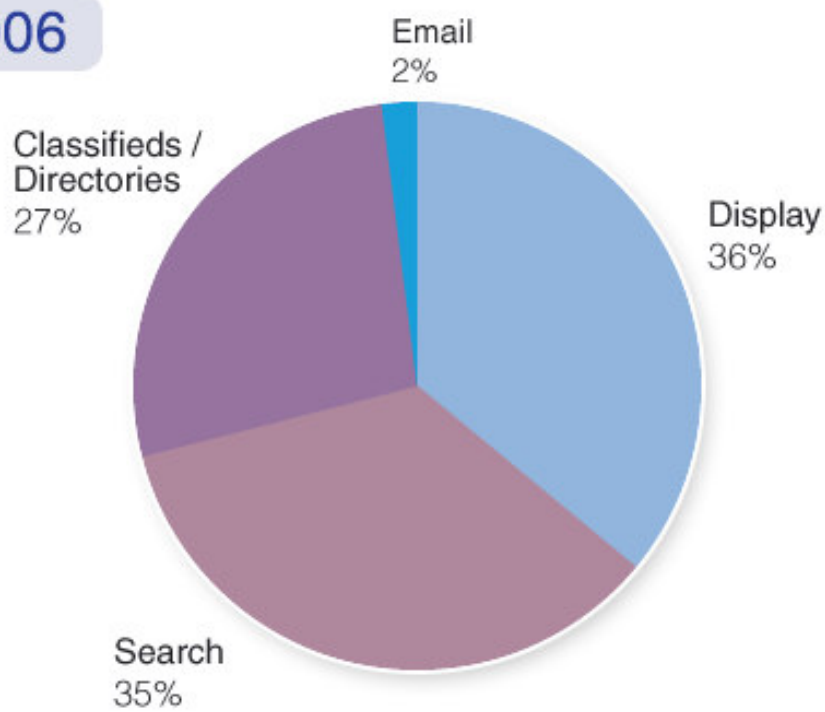
- 2007 Forecast is \$1,337 Million
- 2007 Forecast is 32% increase over 2006 Actual
- 2006 Actual is 80% increase over 2005 Actual, and 26% over 2006 Forecast of \$801 Million
- 2006 French is \$208 Million or 21% of 2006 Total, as compared to 2005 French of \$124 Million or 22% of 2005 Total
- 2006 French actual is 68% increase over 2005 French actual



IAB Canada: Canadian Online Advertising Revenue, By Advertising Vehicle, as % of 2006 Total Revenue



2006



- Display
- Search
- Classifieds / Directories
- Email

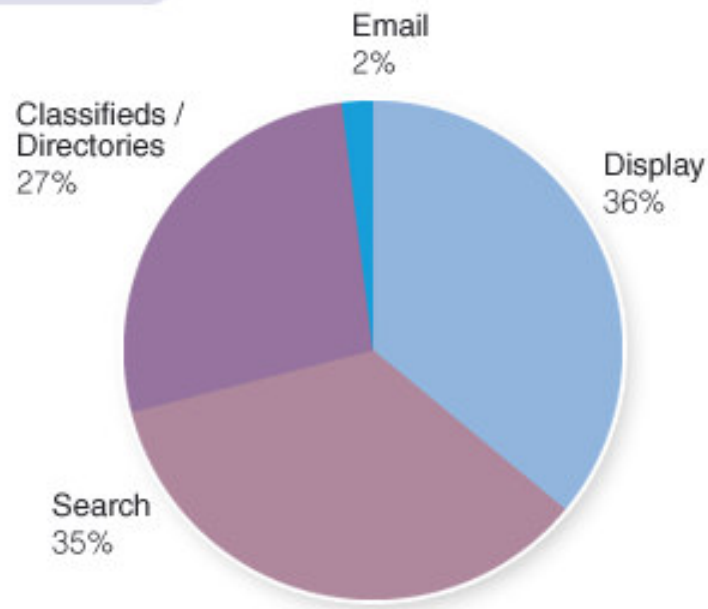
	2006	2005	Change
Display	\$364M	\$230M	+58%
Search	\$353M	\$197M	+79%
Classifieds/ Directories	\$273M	\$124M	+120%
Email	<u>\$20M</u>	<u>\$11M</u>	+82%
TOTAL	\$1.01B	\$562M	



IAB Canada: Canadian Online Advertising Revenue By Advertising Vehicle, 2006 vs. 2005

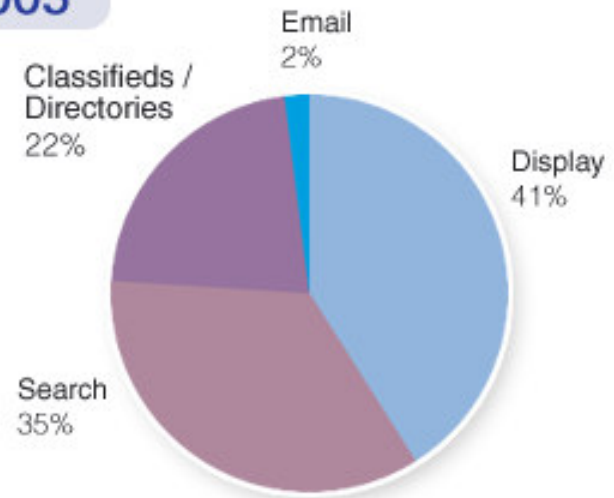


2006



- Display
- Classifieds / Directories
- Search
- Email

2005





Reasons For 2006 vs. 2005 Growth of 80%

- ⊗ Substantial Revenue Growth Across All Publisher Types
 - ⊗ Small and Medium publishers (who typically net between \$500k to \$5M/yr.) showed an average revenue growth of 85% vs. 2005
 - ⊗ Large publishers (who typically net between \$5M to \$30M/yr.) showed an average revenue growth of 155% vs. 2005
 - ⊗ Very Large publishers (who typically net between \$30M to \$100M/yr.) showed an average revenue growth of 62% vs. 2005
- ⊗ Revenue Growth Within Online Ad Networks:
 - ⊗ 2006 saw substantial growth in revenue for both US and Canadian networks selling “Canadian eyeballs” aggregated across U.S. and Canadian sites.



Reasons For 2006 vs. 2005 Growth of 80% (cont'd)

- ⊗ More Integration, New Advertisers, New Advertising Choices and New Ad Formats:
 - ⊗ More integrated campaigns; more new, blue-chip advertisers entering the market for the first time; more advertising choices for Search; uptake of Rich Media; plus, the addition of Video pre-roll advertising to the selection of Online advertising tools, all helped drive the industry forward
- ⊗ Success of Cross-Media Research Studies
 - ⊗ 7 studies conducted (5 published, 2 to be released), since 2003 show significant lift across a variety of brand metrics when Online advertising added to the media mix



Reasons For 2006 vs. 2005 Growth of 80% (cont'd)

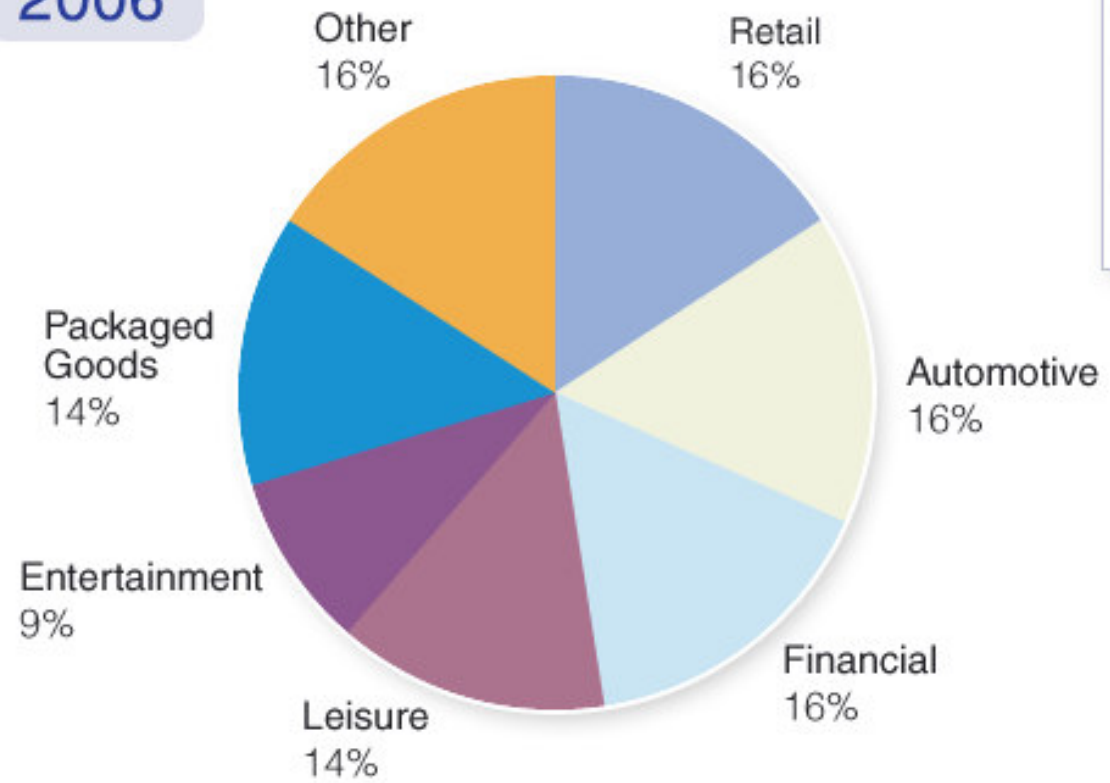
- ⊗ Development of IAB Canada Intensive One-Day Course in Interactive Marketing + Online Advertising
 - ⊗ Over 1,000 senior advertiser, agency and publisher representatives take Course in last 2 years alone
 - ⊗ Course highlights not just “why” but also “how” the medium can be leveraged for best results for advertisers









IAB Canada: Canadian Online Revenue By Advertising Category



2006



-  Retail
-  Automotive
-  Financial
-  Leisure
-  Entertainment
-  Packaged Goods
-  Other