



The Nielsen Company

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News Release

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FOR IMMEDIATE RELEASE

GLOBAL ADVERTISING EXPENDITURE STILL DOWN BUT SHOWING SIGNS OF IMPROVEMENT IN THE SECOND QUARTER OF THE YEAR

ASIA PACIFIC IS THE FIRST REGION TO SHOW GROWTH IN ADVERTISING EXPENDITURE SINCE THE START OF 2009

Amsterdam, 30th September 2009: As the global economy begins its turnaround, the global advertising market is showing signs of improvement. According to Nielsen's Global AdView Pulse, which reports advertising across 27 markets in Asia, North America, Europe and Africa, overall advertising expenditures decreased 6.8 percent for the first half of the year compared to the first half of 2008. (See figure 1)

However, the second quarter closed with a more contained decline of 5.8 percent compared to a 7.9 percent decline in the first quarter versus the same periods of the previous year. Asia Pacific is driving the improvements, with 6.5 percent advertising expenditure growth in the second quarter, while Europe and North America are still facing some challenges posed by the economic crisis.

BROADCAST MEDIUMS GROWING IN ASIA PACIFIC

All media types have suffered from general cutbacks by advertisers throughout the first half of the year. Magazines and Newspapers took the biggest hit losing -18.5% and -7.5%, respectively, with negative growth in all regions. Radio has emerged in many markets as the media type with the most contained percentage decline (-3.1% globally), even registering an increase in Asia Pacific (+3.1%). Television, too, showed a mixed result depending upon the region, with North America (-14.9%) and Europe (-8.0%) showing drops in spend, whilst Asia Pacific showed growth when compared to the first half of 2008. (See figure 2).



As with the half year results, Television and Radio are the media types showing the smallest percentage decreases in the second quarter and they are still showing growth in Asia Pacific and losing revenues in both Europe and North America.

“In this economic environment, brands favour broadcast media: TV always being considered as the most reliable media in hard times and radio provides a solid call to action platform,” said Ben van der Werf, Managing Director, Global AdView, The Nielsen Company. “Throughout the remainder of 2009 and beyond, we can expect to see ad spend for broadcast media slowly moving toward better performance – but it’s unlikely print advertising will show any great gains in the near future. Though Newspapers show a more contained decline versus the quarter two 2008, driven by a less steep decline in Asia Pacific, Magazines seem not to have benefited by the slight improvements of the market. They closed the quarter with a 19.6 percent decrease in ad revenues, which is a larger decline than what was reported in the first quarter of the year.”

SOME SECTORS START TO SHOW IMPROVEMENT IN THE SECOND QUARTER 2009

The majority of sectors are continuing to reduce their advertising budgets compared to last year but some good performances in the second quarter have led to three macro sectors increasing their ad spends versus the first half of 2008. (See figure 3)

“Distribution Channels, FMCG and Healthcare are in fact the only industries to have advertised more in the first half of 2009 than they did in the same period last year,” said Van der Werf, “This is in part due to an increase in ad spend for primary products like food, for cheaper alternatives to out of home entertainment, like quick service restaurants, and for ‘do it yourself’ products. This is surely a good sign considering that, of the 3 sectors improving in the half year, only Distribution Channels were showing clear development in the first quarter.”

Automotive (-21% in the first half) and Finance (-17.2%) continue showing the largest percentage decreases in ad spend. But if the Financial sector is starting to show positive trends in some countries, Automotive sees the largest percentage decline as a result of the declines in all reported territories, except India. Telecommunications reduced its ad spend by 0.6 percent compared to quarter two 2008, which is a much more contained reduction than that of quarter one. The change of trend has been registered, amongst others in China, France, Italy, Spain and USA. As a result, advertisers are also changing their strategies.

“Today there is more attention given to promoting brand value and the environmental theme is becoming more and more relevant in many countries,” said Van der Werf.

Figure 1: Share of spend by region, 1st Half 2009

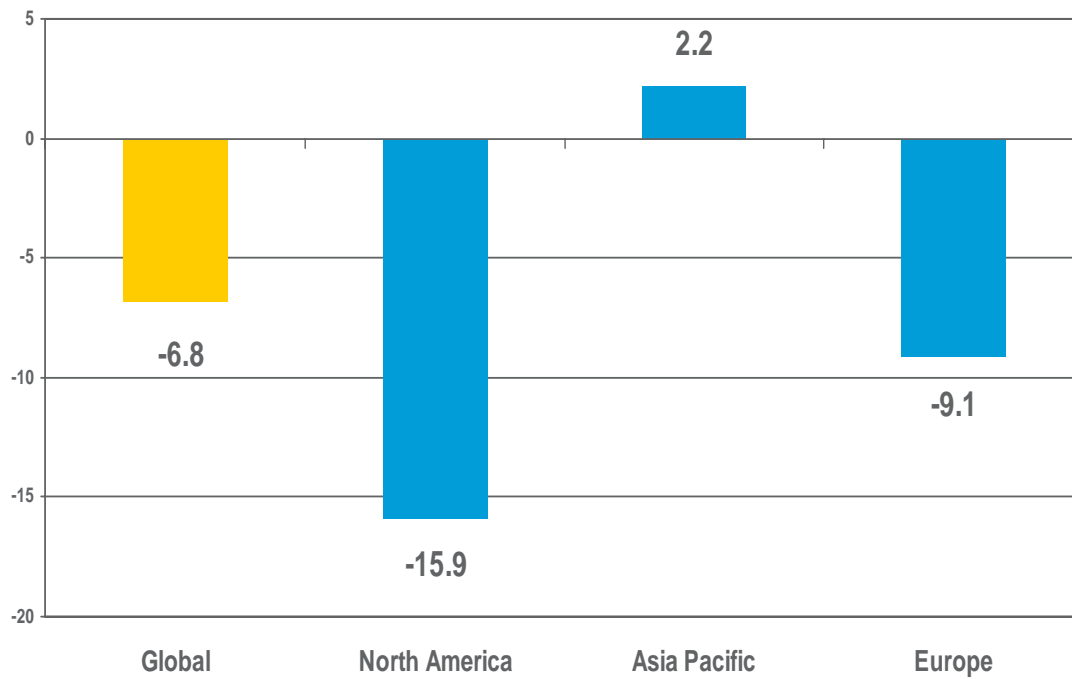


Figure 2: Media by Region (% change year to date)

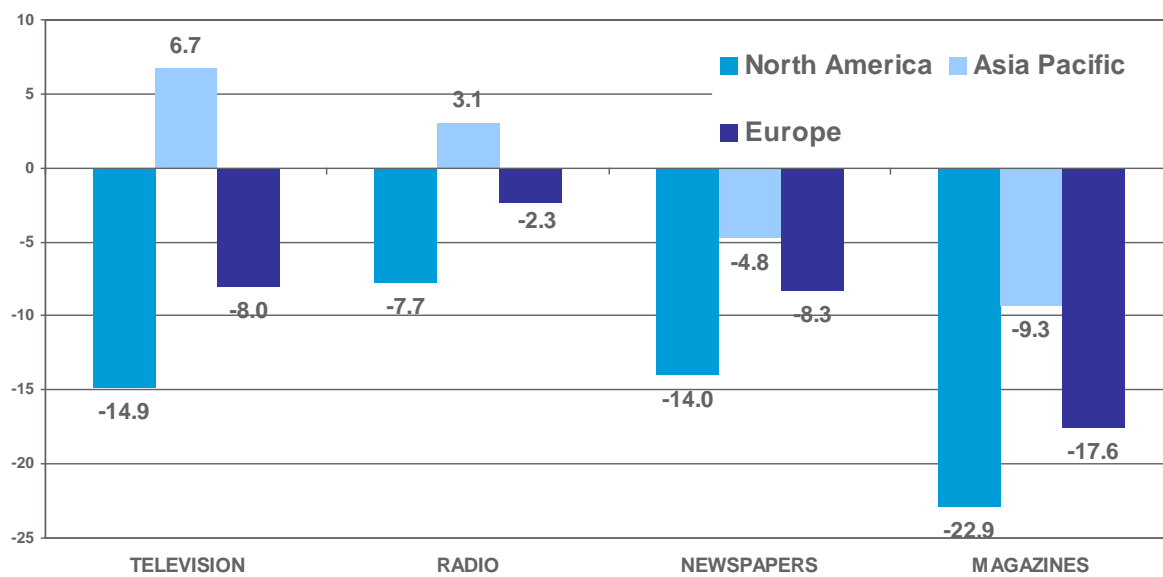
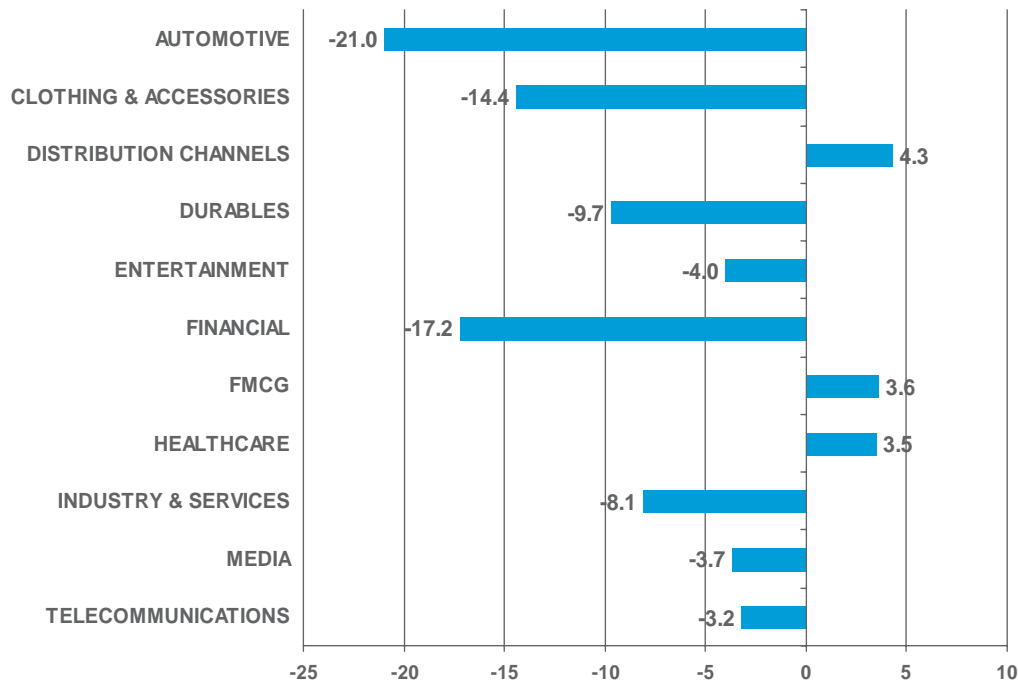


Figure 3: Sectors (% change year to date)



About Global AdView

Global AdView provides international advertising services. Global AdView provides information on what an advertiser's competitors are spending, where and how, in more than 80 countries, along with a deep and complete knowledge of local market advertising trends. Spend and creative content can be compiled, linked and harmonized at brand and product level to enable quick strategic insight into competitive activity within a client's own product sector. Global AdView Pulse reports on advertising expenditure for *Australia, Belgium, Canada, China, France, Germany, Hong Kong, India, Indonesia, Ireland, Italy, Japan, Malaysia, The Netherlands, New Zealand, Norway, Philippines, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, United States of America.*

About The Nielsen Company

The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications (Billboard, The Hollywood Reporter, Adweek). The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com