

Adify Vertical Gauge Report

Q2 2009





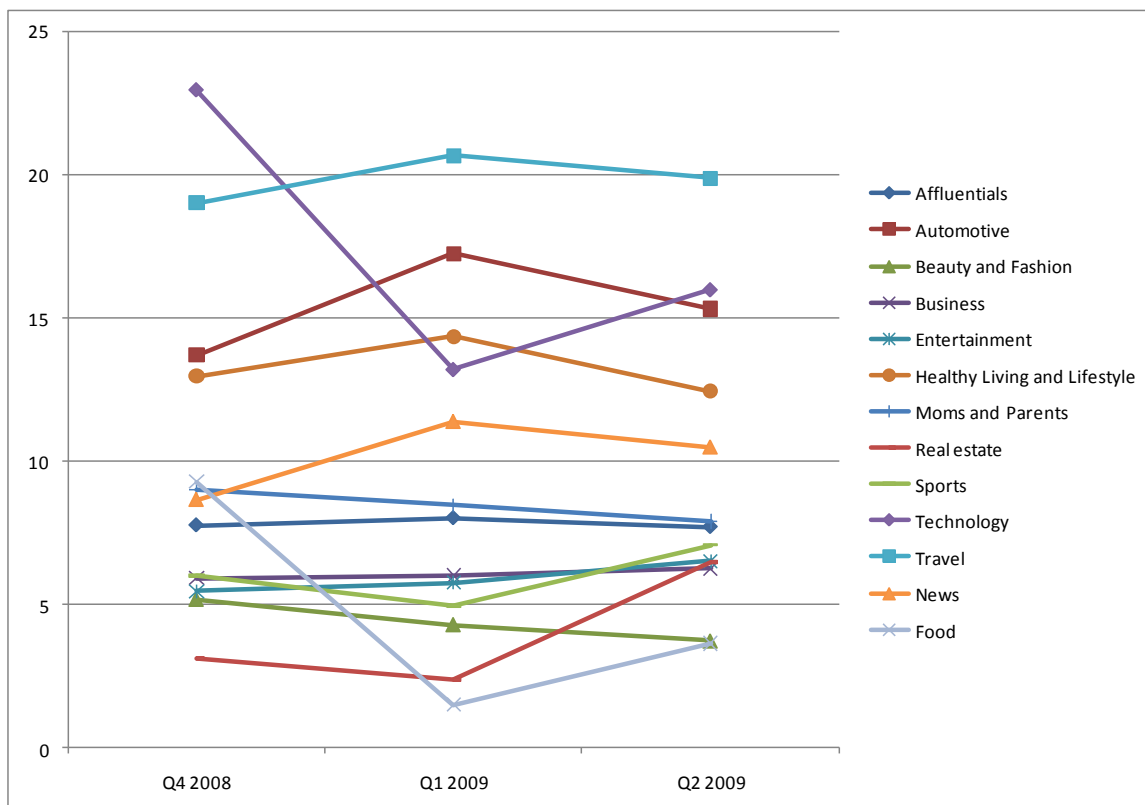
Key Vertical CPMs Trending up Over Nine Month Trend

About Adify

Over 200 premium vertical ad networks are growing on the Adify Network Builder Platform. Since Adify serves advertising directly to the 12,000 sites in those networks, Adify can track and analyze CPM trends across verticals. The data in this report reflects all campaigns that have been served by Adify's IAB ad measurement audited and certified technology since October 1, 2008. The data is analyzed quarterly as part of the Adify Vertical Gauge (AVG) report.

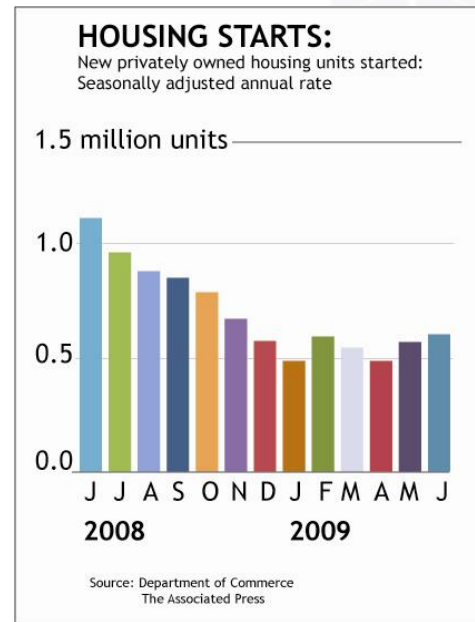
The Adify Vertical Gauge (AVG) - Premium CPMs Going to Vertical Inventory

Across all verticals, over the three quarters measured, the median CPM was \$7.71 with a minimum of \$3.63 and a maximum of \$19.89. These rates have remained relatively steady, although the median and maximum are slightly lower than Q4 2008 while the minimum has increased. The CPMs paid reflect advertiser recognition of the premium quality of the inventory, the increased engagement with audiences on this inventory, and the impact of rich media and interactive creative.



Real Estate AVG - CPM Growth Aligned to Housing Recovery

Across all verticals tracked by Adify, real estate is showing the most significant CPM growth trend. Without doubt, real estate was seriously depressed in Q4 2008 with the collapse of the sub-prime market and subsequent inventory glut. In the last two months, the US Department of Commerce has [announced](#) that housing starts are up although certainly not yet booming. In the same time period, Q2 2009, real estate advertising CPMs resuscitated and grew 100% over Q4 2008.



Sports and Entertainment AVG Maximize Their Busy Season

The sports and entertainment verticals grew 18% and 19% respectively. The second quarter of 2009, with college hoops, basketball championships, baseball season and blockbuster movies, led these two verticals to grow their CPMs significantly over Q4 2008. Additionally, we suspect that the “stay-cation” trend is leading more people to watch and attend local events and leverage the premium independent sites that share insights and opinions on movies, teams and competitions. In fact, the sites themselves are becoming more and more of the actual entertainment with visitors staying on these sites 2 - 4x longer than they spend on comparable categories of large sites ([comScore April 2009 Vertical Ad Network Study](#)).

News AVG - CPMS Recover in Q2 2009

In Q2 2009, news-oriented content commanded CPMs with a median value over \$10, which represents 20% growth over Q4 2008, but a decrease since Q1 2008. Because Q1 2009 included the inauguration of President Barack Obama, we infer that there was additional demand to reach audiences tuning in to news coverage. The growth in Q2 2009 may indicate growing advertiser demand for these audiences.

Highest CPMS Go to Travel, Technology, Automotive and Health Verticals

Traditional CPM leaders travel, technology, automotive, and health continue to command the highest rates in the AVG. Both automotive and travel are showing growth over Q4 2008 but some contraction since Q1 2009. Technology and health are both showing contractions since Q4, although technology is rebounding in comparison to Q1 2009. This is likely the result of new network inventory available across the Adify platform.



Renewed Interest in Business Drives Steady CPM Growth

The business vertical is growing steadily quarter on quarter which likely reflects continued interest in business news and business analysis. The federal bail-out and TARP rescue elevated general interest in business practices and policies. As credit flows more freely, Adify expects competition for qualified audiences on business sites to drive CPM growth further.