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RUSSIA

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Structure of the industry players & determination of the agency brands / sub-brands

RECMA defines an agency brand as a local agency having its own identity, management team, client list and services offerings.

Owner groups / *media branch*	Networks *(14)*	Local agency brands *(15)*	Sub-brands *(9)* (in traditional media)
WPP / *GroupM*	Maxus	Maxus	-
	MediaCom	MediaCom	*MC2*
	Mediaedge:cia	Mediaedge:cia	-
	Mindshare	Mindshare	-
Publicis / *VivaKi*	Starcom MediaVest Group	Starcom	*Starlink* *(acquired in mid-07)*
		MediaVest	-
	ZenithOptimedia	ZenithOptimedia	-
Omnicom / *OMG*	OMD PHD	Optimum Media OMD Gr *(1)*	*Optimum Media OMD*
			APR Media Services
			Rapp Media Team
			Mediaplan
			M2M *(launched in mid-08)*
		OMD MD PHD Gr *(1)*	*OMD Media Direction*
			PHD
			Media Instinct *(launched in mid-07)*
Aegis / *Aegis Media*	Carat	Carat	-
	Vizeum	Vizeum	-
Interpublic / *Mediabrands*	Initiative	Initiative *(2)*	-
	Universal UM	Universal UM *(2)*	-
Havas / *Havas Media*	MPG	MPG *(2)*	-
	Arena	Arena *(2) (launched in mid-08)*	*Arena-Magic Box* *(from december 2008)*
INDEPENDENTS / NON-PART OF THE NETWORKS			
Dentsu Inc *(3)*		Dentsu- Smart *(ex-Smart Communications)*	-
Sovero Group	part of *Columbus Media Intl. (4)*	Sovero Media	-
Maxima Comm. Group		Maxima	-
Sorec Group		Sorec Media *(1)*	-
Twiga Comm. Group		Media First	-
Medialect		Medialect	-
Movie		Movie	-
LBL Comm. Group		LBL Communication Group	-
Media Arts Group		Media Arts Group	-

(1) *Part of **OPera** which is the Omnicom buying group including an independent agency in Russia*
(2) *Part of **ADV Group** which is a local buying group*
(3) ***Dentsu** is a Japanese group part of the worldwide Top 5 Communication Group*
(4) ***Columbus Media Intl.** is an international affiliation of independent media agencies*

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Table 7b- Russia Overall activity billings 2008

by Agency BRAND

RANK 08	Market Shares 2008	- Agency brands part of the networks with an unified management / *Media branches* - Independents / non-part of the networks	definitive 2008 *US$m*	definitive 2007 *US$m*	Change 2008/ 2007
1	5.8%	**Starcom** / *VivaKi*	713	552	+29%
2	5.8%	**Mindshare** / *GroupM*	707	479	+48%
3	5.0%	**Vizeum** / *Aegis Media*	608	400	+52%
4	4.3%	**Mediaedge:cia** / *GroupM*	524	402	+30%
5	4.0%	**Optimum Media OMD** / *OMG (incl. M2M)*	493	369	+34%
6	3.9%	**MediaCom** / *GroupM*	475	279	+70%
7	3.9%	**Initiative** / *Mediabrands*	472	326	+45%
8	3.4%	**ZenithOptimedia** / *VivaKi*	415	282	+47%
9	3.2%	**MPG** / *Havas Media (incl. Arena)*	394	302	+30%
10	3.1%	**MediaVest** / *VivaKi*	376	291	+29%
11	3.0%	**Dentsu-Smart** / *Dentsu Inc.*	369	325	+14%
12	3.0%	**APR Media Services** *part of Optimum Media OMD Gr / OMG*	368	276	+33%
13	2.3%	**Maxus** / *GroupM*	285	256	+11%
14	2.3%	**OMD Media Direction** *part of OMD MD PHD Gr / OMG* *(incl. Media Instinct)*	280	210	+33%
15	2.1%	**Carat** / *Aegis Media*	251	166	+51%
16	1.7%	**Universal UM** / *Mediabrands*	209	169	+24%
17	1.7%	**Maxima** / *Maxima Communication Group*	203	-	-
18	1.2%	**PHD** *part of OMD MD PHD Gr / OMG*	146	101	+45%
19	0.9%	**LBL Communication Group** / *LBL Communication Gr.*	113	-	-
20	0.9%	**MC2** *part of MediaCom Gr / GroupM*	111	66	+68%
21	0.8%	**Medialect** / *Medialect*	95	79	+20%
22	0.8%	**Media First** / *Twiga Group*	93	74	+26%
23	0.7%	**Starlink** / *VivaKi*	86	66	+30%
24	0.7%	**Rapp Media Team** *part of Optimum Media OMD Gr / OMG*	85	64	+33%
25	0.7%	**Mediaplan** *part of Optimum Media OMD Gr / OMG*	81	61	+33%
26	0.6%	**Sovero Media** *part of Columbus Media Intl*	71	-	-
27	0.4%	**Sorec Media** / *Sorec Group*	52	51	+2%
28	0.4%	**Movie** / *Movie*	49	-	-
29	-	**Media Arts Group** / *Media Arts Group*	Nc	-	-
A	67%	**Total 29 agency brands** Media agency industry according to RECMA	8 124	5 646	+44%
B	33%	**Other independents / in-house**	4 097	4 645	-
	100%	**TOTAL Russia ad spending** *(in traditional media + diversified services including interactive & direct)*	12 221	10 291	+19%

Overall activity billings 2007 have been restated according to the Buying Billings 2007 that were restated and based on an average growth of 10% 2007 vs. 2008 for the diversified services generated billings.
Independents: the average estimated Industry DS share has been applied to Independents agency.

RECMA Global Billings Rankings Definitive 2008 – *July 2009*

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42- Russia Overall Activity billings 2008

with the percentage of Diversified Services out of Overall billings

Rank 08	Media agency networks / *Groups*	Overall Activity billings		Diversified Services				Buying billings		
		industry shares	definitive 2008 US$m	definitive 2008 US$m	D.S. *Staff number*	Rank 08	*% Diversified Services*	definitive 2008 S$m	Rank 08	industry shares
1	OMD Group / *Omnicom Media Group*	17.5	1 304	282	*94*	2	22%	1 022	2	15.4
2	Starcom MediaVest Group / *VivaKi*	15.8	1 174	117	*39*	5	10%	1 057	1	15.9
3	Mindshare / *GroupM*	9.5	707	291	*97*	1	41%	416	6	6.3
4	Vizeum / *Aegis Media*	8.2	608	135	*45*	4	22%	473	3	7.1
5	MediaCom / *GroupM*	7.9	586	141	*47*	3	24%	445	4	6.7
6	Mediaedge:cia / *GroupM*	7.0	524	87	*29*	6=	17%	437	5	6.6
7	Initiative / *Mediabrands*	6.3	472	54	*18*	10	11%	418	7	6.3
8	ZenithOptimedia / *VivaKi*	5.6	415	42	*14*	11	10%	373	8	5.6
9	MPG / *Havas Media*	5.3	394	18	*6*	14	5%	376	9	5.7
10	Dentsu-Smart / *Dentsu*	5.0	369	69	*23*	8	19%	300	11	4.5
11	Maxus / *GroupM*	3.8	285	39	*13*	12	14%	246	13	3.7
12	Carat / *Aegis Media*	3.4	251	57	*19*	9	23%	194	16	2.9
13=	Universal UM / *Mediabrands*	2.8	209	27	*9*	13	13%	182	17	2.7
13=	PHD / *Omnicom Media Group*	2.0	146	21	*7*	6=	14%	125	18	1.9
TOTAL 13 Networks + 1 major independent		100	7 444	1 380	*460*	-	19%	6 064	-	91.3

A-The Buying billings definitive 2008 are based on the agency client lists 2008 established by RECMA

B-The Diversified Services billings methodology is based on staff number multiplied by a ratio of US$ 3m / head
The Group's partners are counted for a third of their staff number (see table T31)

C-the Overall Activity billings figures result from the sum of the Diversified Services billings + Buying billings

by Group of networks

Rank 08	*Groups* / *media organization entities*	Overall Activity		Diversified Services				Buying billings		
		industry shares	definitive 2008 US$m	definitive 2008 US$m	D.S. *Staff number*	Rank 08	*% Diversified Services*	definitive 2008 US$m	Rank 08	industry shares
1	GroupM	28.2	2 102	558	*186*	1	27%	1 544	1	23.3
2	Publicis / *VivaKi*	21.4	1 589	159	*53*	4	10%	1 430	2	21.5
3	Omnicom Media Gr / *OMG*	19.5	1 450	303	*101*	2	21%	1 147	3	17.3
4	Aegis Media	11.6	859	192	*64*	3	22%	667	4	10.0
5	Interpublic / *Mediabrands*	9.1	681	81	*27*	5	12%	600	5	9.0
6	Havas Media	5.3	394	18	*6*	6	5%	376	6	5.7

Table 31- Russia Diversified Services STAFF 2008

Total staff	*Group Organization* Media networks	Interactive + direct	Outdoor / OOH	Events & sponsoring	Others *incl* Local	Int'l account mngt	Ad hoc research and consulting
186	***WPP/* GroupM**	**103**	**37**	**29**	-	**2**	**15**
12+1	Maxus	3	3+1	4	-	2	-
46+1	MediaCom	27	8+1	4	-	-	7
28+1	Mediaedge:cia	18	1	7	-	-	3
97	Mindshare	55	23	14	-	-	5
-	*Group Partners*	-	3/5 *Kinetic*	-	-	-	-
101	***Omnicom* Media Gr OMG**	**22**	**36**	**13**	**8**	**14**	**8**
94	OMD Group	20	32	13	8	14	7
7	PHD	2	4	-	-	-	1
53	***Publicis/* VivaKi**	**14**	**24**	**6**	-	-	**9**
39	Starcom SMG	10	18	4	-	-	7
14	ZenithOptimedia	4	6	2	-	-	2
27	***Interpublic/* Mediabrands**	**9**	**5**	**7**	-	-	**6**
18	Initiative	5	5	4	-	-	4
9	Universal UM	4	-	3	-	-	2
6	***Havas* Media**	**2**	-	**2**	-	-	**2**
6	MPG	2	-	2	-	-	2
64	***Aegis* Media**	**37**	**14**	**8**	-	-	**5**
15+49	Carat incl. Vizeum	37	2+12	8	-	-	5
-	*Group Partners*	37/112 *Isobar/Adwatch*	12/60 *Master ad / Posterscope*	-	-	-	-
437	**Total 6 Groups-12 netw**	**187**	**116**	**65**	**8**	**16**	**45**

** Staff figures for the Group Partners' companies have been decreased to **a third** of the declared figures. (RECMA considers that a third of the clients handled by these companies are common to the client portfolio of the agency in core business – the other two third being external clients not served by the media networks as for the traditional media). In the exception of:*

- *Kinetic RECMA integrates **50%** of the declared staff into the GroupM agencies figures*
- *Master ad / Poscterscope RECMA integrates **20%** of the declared staff into the Aegis Media agencies figures*

** Also only **half** of the staff figures dedicated to the "Ad Hoc Research / Econometrics / Marketing Consulting" disciplines was considered as "integrated" (for all the agencies).*

The DS staff number is split between the staff integrated into the agencies (385) and the specialists in the *Group Partners DS units* (52). The *interactive & direct* discipline weighs 43% of the overall DS staff figure.

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Table 1- Russia Buying billings 2008

by Agency BRAND

RANK 08	Market Shares 2008	- Agency brands part of the networks with an unified management / *Media branches* - Independents / non-part of the networks	definitive 2008 *US$m*	definitive 2007 *US$m* restated	definitive 2006 *US$m* restated	STAFF 2008
1	6,0%	Starcom / *VivaKi*	642	534	458	58
2	4,4%	Vizeum / *Aegis Media*	473	278	179	60
3	4,1%	Mediaedge:cia / *GroupM*	437	324	237	90
4	3,9%	Initiative / *Mediabrands*	418	277	277	98
5	3,9%	Mindshare / *GroupM*	416	217	181	167
6	3,6%	Optimum Media OMD / *OMG (incl. M2M)*	386	263	207	85
7	3,5%	MPG / *Havas Media (incl. Arena)*	376	286	133	85
8	3,5%	ZenithOptimedia / *VivaKi*	373	244	180	60
9	3.4%	MediaCom / *GroupM*	360	147	91	83
10	3,1%	MediaVest / *VivaKi*	338	271	245	62
11	2,8%	Dentsu-Smart / *Dentsu Inc.*	300	263	195	42
12	2,7%	APR Media Services *part of Optimum Media OMD Gr / OMG*	288	212	143	63
13	2,3%	Maxus / *GroupM*	246	221	178	53
14	2,0%	OMD Media Direction *part of OMD MD PHD Gr / OMG (incl. Media Instinct)*	220	166	183	82
15	1,8%	Carat / *Aegis Media*	194	115	99	33
16	1,7%	Universal UM / *Mediabrands*	182	145	149	41
17	1,6%	Maxima / *Maxima Communication Group* *	171	-	-	90
18	1,2%	PHD *part of OMD MD PHD Gr / OMG*	125	82	63	48
19	0,9%	LBL Communication Group / *LBL Communication Gr.* *	95	-	-	73
20	0,8%	MC2 *part of MediaCom Gr / GroupM*	85	71	90	27
21	0,7%	Medialect / *Medialect*	80	65	65	35
22	0,7%	Media First / *Twiga Group*	78	60	57	15
23	0,7%	Starlink / *VivaKi* *	77	-	-	52
24	0,6%	Rapp Media Team *part of Optimum Media OMD Gr / OMG*	66	47	41	32
25	0,6%	Mediaplan *part of Optimum Media OMD Gr / OMG*	63	35	19	19
26	0,6%	Sovero Media *part of Columbus Media Intl* *	60	-	-	82
27	0,4%	Sorec Media / *Sorec Group*	44	44	44	48
28	0,4%	Movie / *Movie**	41	-	-	46
29	-	Media Arts Group / *Media Art Group* *	Nc	-	-	-
A	62%	Total 29 agency brands Media agency industry according to RECMA	6 633	4 367	3 514	1 729
B	38%	Other independents / in-house	4 103	4 590	3 140	
	100%	TOTAL Russia ad spending (in traditional media)	10 736	8 957	6 654	

* Included for the first time in the RECMA ranking

Table 2- Russia Buying billings 2008

by GROUP of Networks

Owner groups	Rank 2008	Media agency industry shares 2008 *	*Organization media entities* Media Networks incl. agency brands (non part of the networks in red)	definitive 2008 US$m	definitive 2007 US$m restated	definitive 2006 US$m restated	STAFF 2008
***WPP** plc*	**1**	**23,3%**	**GroupM**	**1 544**	**980**	**777**	**420**
	13	3,7%	**Maxus**	**246**	**221**	**178**	**53**
	4	6,7%	**MediaCom** *incl. MC2*	**445**	**218**	**181**	**110**
	5	6,6%	**Mediaedge:cia**	**437**	**324**	**237**	**90**
	6	6,3%	**Mindshare**	**416**	**217**	**181**	**167**
***Publicis** SA*	**2**	**22,0%**	**VivaKi**	**1 430**	**1 049**	**883**	**232**
	1	15,9%	**Starcom MediaVest SMG** *incl. Starcom, MediaVest and Starlink*	**1 057**	**805**	**703**	**172**
	8	5,6%	**ZenithOptimedia**	**373**	**244**	**180**	**60**
***Omnicom** Inc.*	**3**	**17,3%**	**Omnicom Media Group (OMG)**	**1 147**	**805**	**656**	**377**
	2	15,4%	**OMD** *incl.Optimum Media OMD, OMD Media Direction, APR Media Services, Rapp Media Team, Mediaplan, M2M*	**1 022**	**723**	**593**	**329**
	18	1,9%	**PHD**	**125**	**82**	**63**	**48**
***Aegis** plc*	**4**	**10,1%**	**Aegis Media**	**667**	**393**	**278**	**93**
	16	2,9%	**Carat**	**194**	**115**	**99**	**33**
	3	7,1%	**Vizeum**	**473**	**278**	**179**	**60**
***Interpublic** Inc.*	**5**	**9,0%**	**Mediabrands**	**600**	**422**	**426**	**139**
	7	6,3%	**Initiative**	**418**	**277**	**277**	**98**
	17	2,7%	**Universal UM**	**182**	**145**	**149**	**41**
***Havas** SA*	**6**	**5,7%**	**Havas Media**	**376**	**286**	**133**	**85**
	-	-	**Arena** (launched in 08 - included in MPG)	-	-	-	-
	9	5,7%	**MPG** *incl. Arena*	**376**	**286**	**133**	**85**
Major Independents	**-**	**13.1%**	***Dentsu-Smart, Maxima, LBL Communication Group, Medialect, Media First, Sovero Media, Sorec Media, Movie***	**869**	**432**	**360**	
Russia	**-**	**100%**	**Total media agency industry** studied by RECMA	**6 633**	**4 367**	**3 513**	

*** The Media agency industry shares are based on the total buying billings' figure aggregating all the agency brands included in the RECMA ranking. Hence, the ad spending handled by small independent agencies, media departments of creative agencies or in-house are not taken into account in this study.**

42-Russia METHODOLOGY

RECMA source for estimating the agency buying billings figures	• **The Buying Billings Definitive 2008 are calculated from the analysis of the agency client lists.** • **The budget amounts 2008 are sourced from TNS Gallup data gross expenditure figures which are then discounted to obtain "*adjusted figures by RECMA*". This year, we have been also included declared Regional adspend not monitored by TNS.** • **RECMA research perimeter: TOP 600 covering all accounts whose estimated budget amounts are greater than 1$m Net + Major "Out of Top" clients.** • **The monitored ad spend covers TV, Press, Radio, Outdoor, Cinema.**
Ad spend not included in the buying billings	• **Digital / Interactive, Direct response/advertising *(door drops,etc)*.** • **Other Diversified Services disciplines** (incl. Intl' account management, Events & sponsorship, multicultural, etc.).
Currency exchange rates	• **Average exchange rate 2008: 1US$=24,9 Roubles.**
Correction coefficients (discount rates) applied to reach RECMA semi-net figures	• **Discount rates applied on gross expenditure figures by media:** **TV -40%, Press -40%, Radio -30%, Outdoor 0%, Cinema -50%** • **Discount rates have been revised in comparison to previous year, especially on TV. This is due to a change of TV structure of rate cards made by the biggest sales house.**
Restated figures from the last Global billings report (mid-2008)	**Details on the restated buying billings figures 2007-2006 :** **Figures have been restated for all agencies listed in the previous year ranking: the estimated share of Regional spendings not monitored by the local ad-monitoring has been added to the previous figures.**
TOTAL Advertising expenditure 2008 (in traditional media)	**ZO forecasts** (March 09): **10.7bn$** **GroupM / TYNY** (May 09): **7.8bn$** **AKAP** (Russian Communication Agency Association): **10.7bn$** **Total media agency industry** (covering all the agencies studied): **6.5 bn$**
Market & Agencies particularities	• **Out of the 29 agencies studied, 9 are independent and they account for 13% of the total buying billings of the media agencies studied.** • **In Russia it also exists local Buying pools which can include media agencies from different Media Groups (ex: ADV Group) or Independent media agencies (ex: OPera).** • **In 2008 were launched two new brands: M2M for Omnicom Media Group and Arena for Havas Media.** • **In december 2008 Havas Media and ADV Group acquired the independent agency Magic-Box which has been integrated with Arena to create the Arena-Magic Box brand.**