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Ad Agencies & Marketing Services MARKET OVERVIEW

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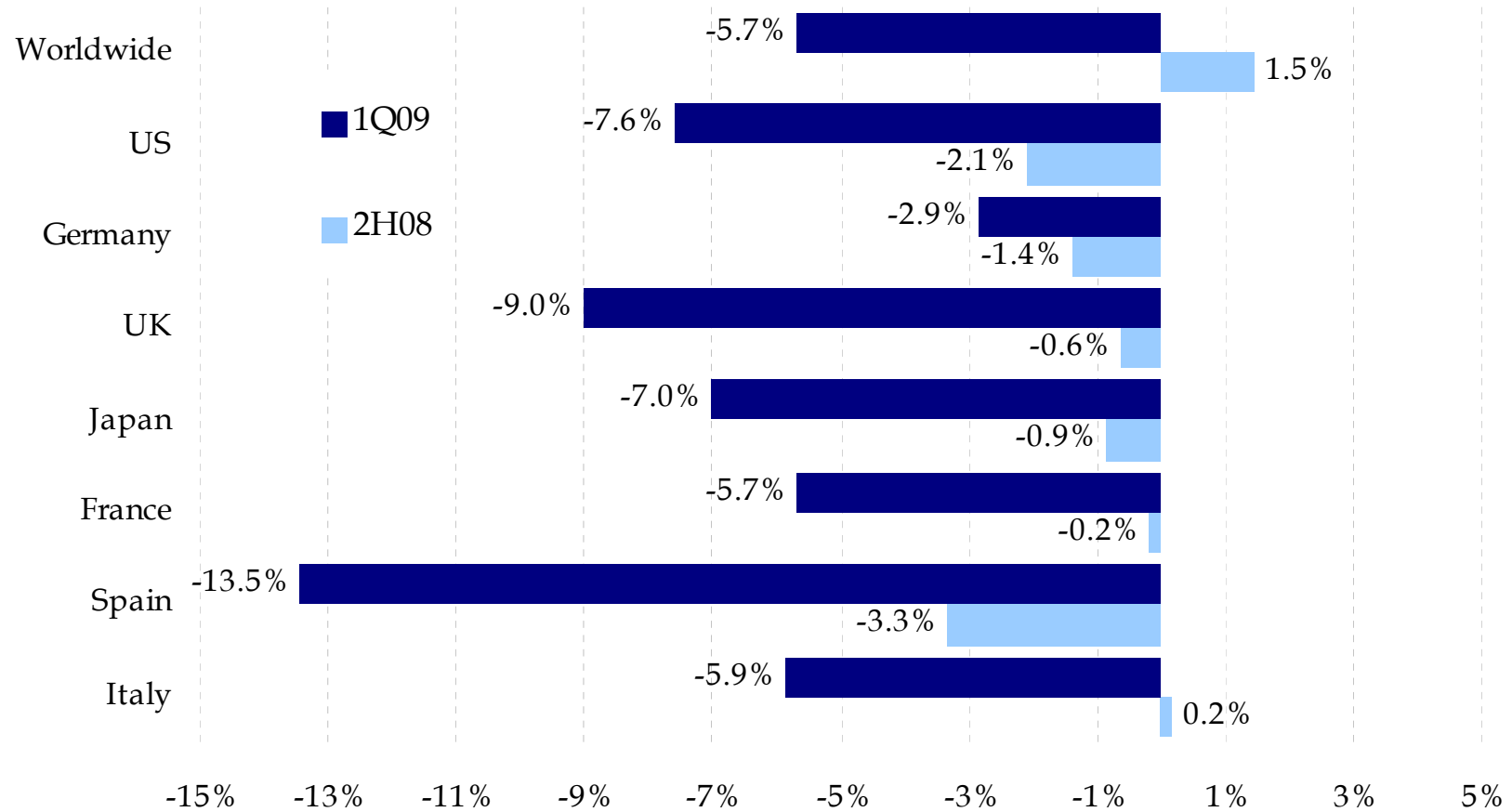
Marketing Services &
Advertising Agencies

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What Has Changed Since Mid-2008?

- WW marketing spend has taken a 5-10% step down
 - Hurting verticals: auto, financial, leisure, luxury
- Unemployment up, consumers “trading down”
 - Solid verticals: consumer packaged goods, telecom, quick-serve restaurants
- Risk premiums/valuations reeled in
 - IPO market effectively closed, limited M&A
 - Significant private equity investment remains absent

Marketing Spending Growth



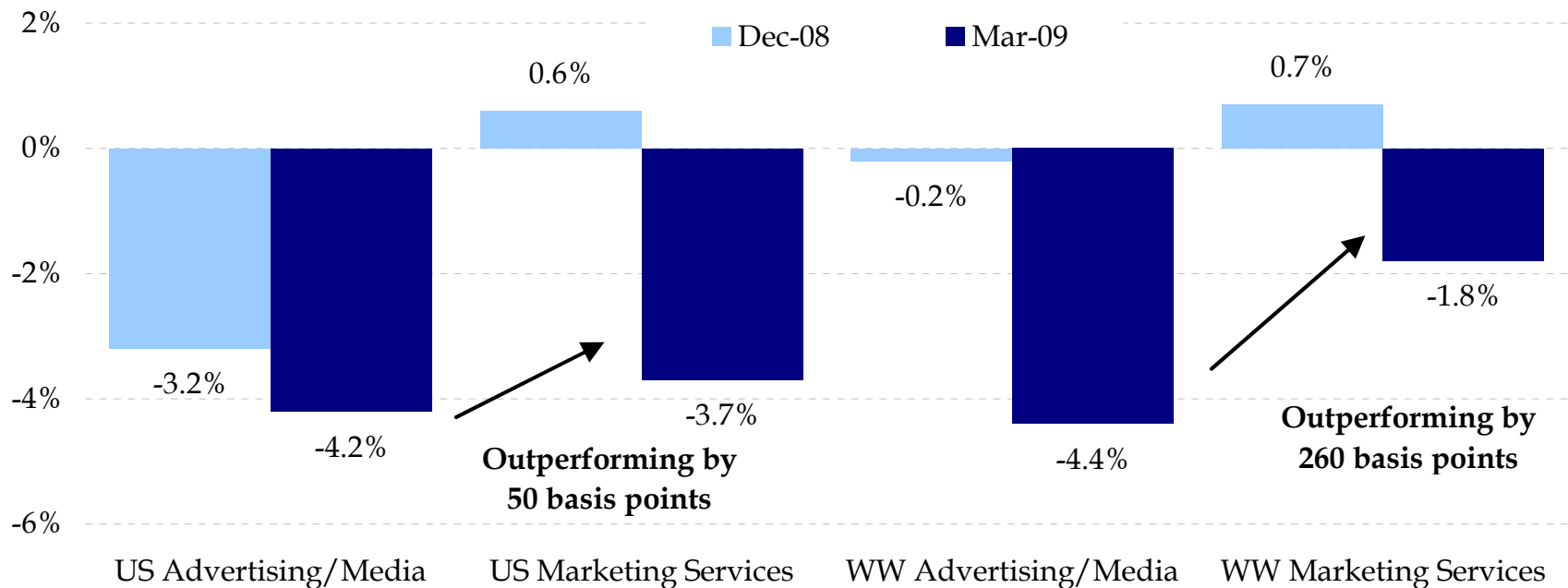


Sentiment Very Negative

- “The fourth quarter was probably the most challenging quarter the company has faced since 1992”
 - *Omnicom CEO John Wren, 4Q08 conference call, 2/10/09*
- “The fourth quarter was one of the most difficult that our company has faced”
 - *Harte Hanks CEO Larry Franklin, 4Q08 conference call, 1/30/09*
- “[I]n the 25-30 years that I’ve been in the business, I have never seen anything quite like this”
 - *WPP CEO Sir Martin Sorrell, full-year conference call, 3/6/09*
- “We’re in a worldwide recession...we don’t know how long this period will last.”
 - *Google CEO Eric Schmidt, 4Q08 conference call, 1/22/09*

What Hasn't Changed Since Mid-2008?

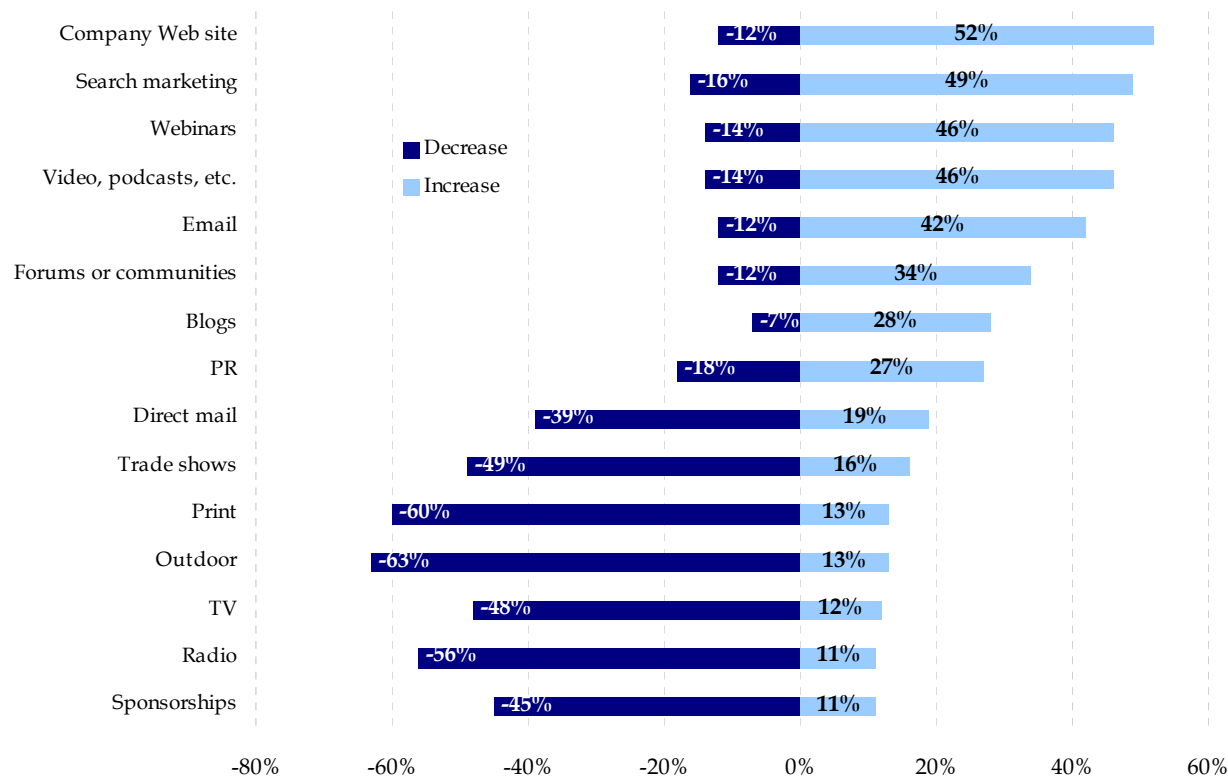
- Migration away from advertising-supported mass media to more targeted marketing services



Source: GroupM March 2009 estimates.

What Hasn't Changed Since Mid-2008?

- Migration to digital marketing: *"How will your 2009 spending on the following marketing tactics differ from your 2008 spending?"*

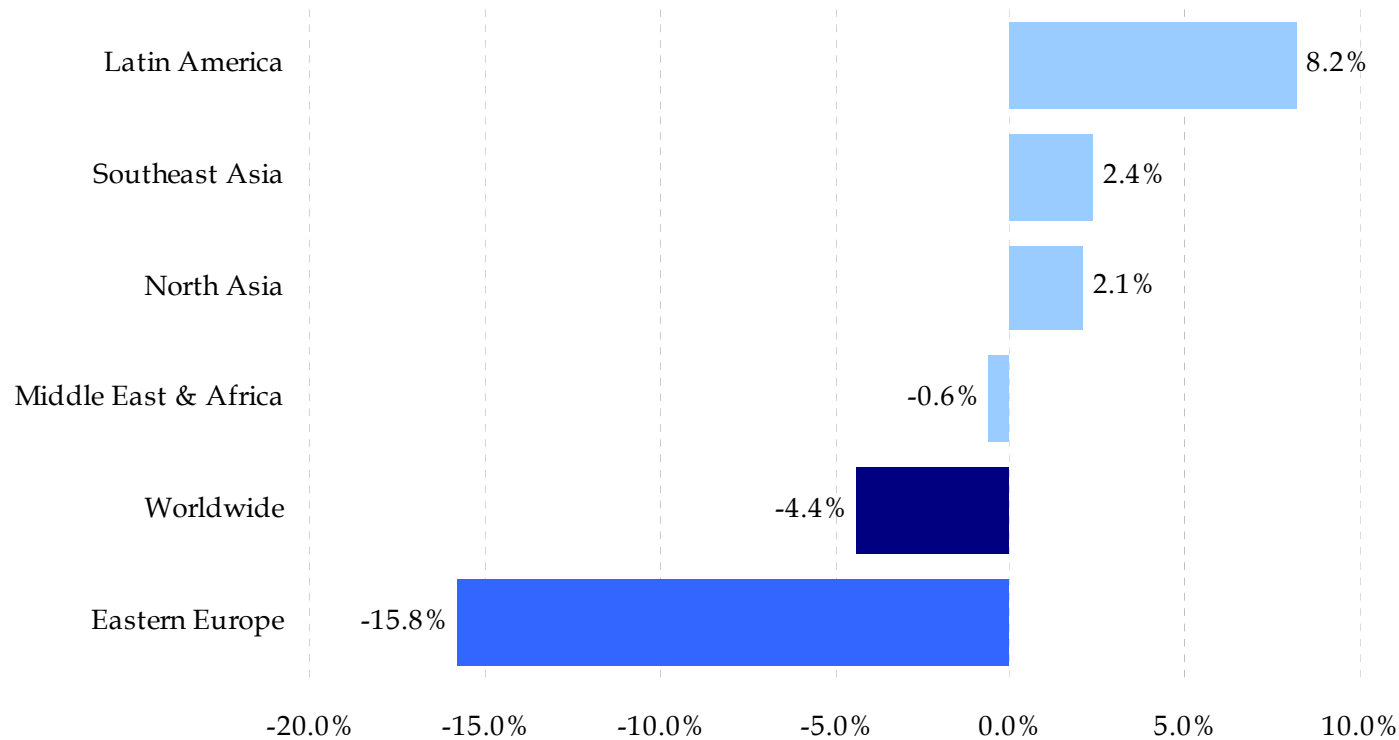


Source: Forrester Research, B2B Marketers' 2009 Budget Trends, 4/29/09.

What Hasn't Changed Since Mid-2008?



- Emerging markets remain an important opportunity
 - Short-term exception: Eastern Europe

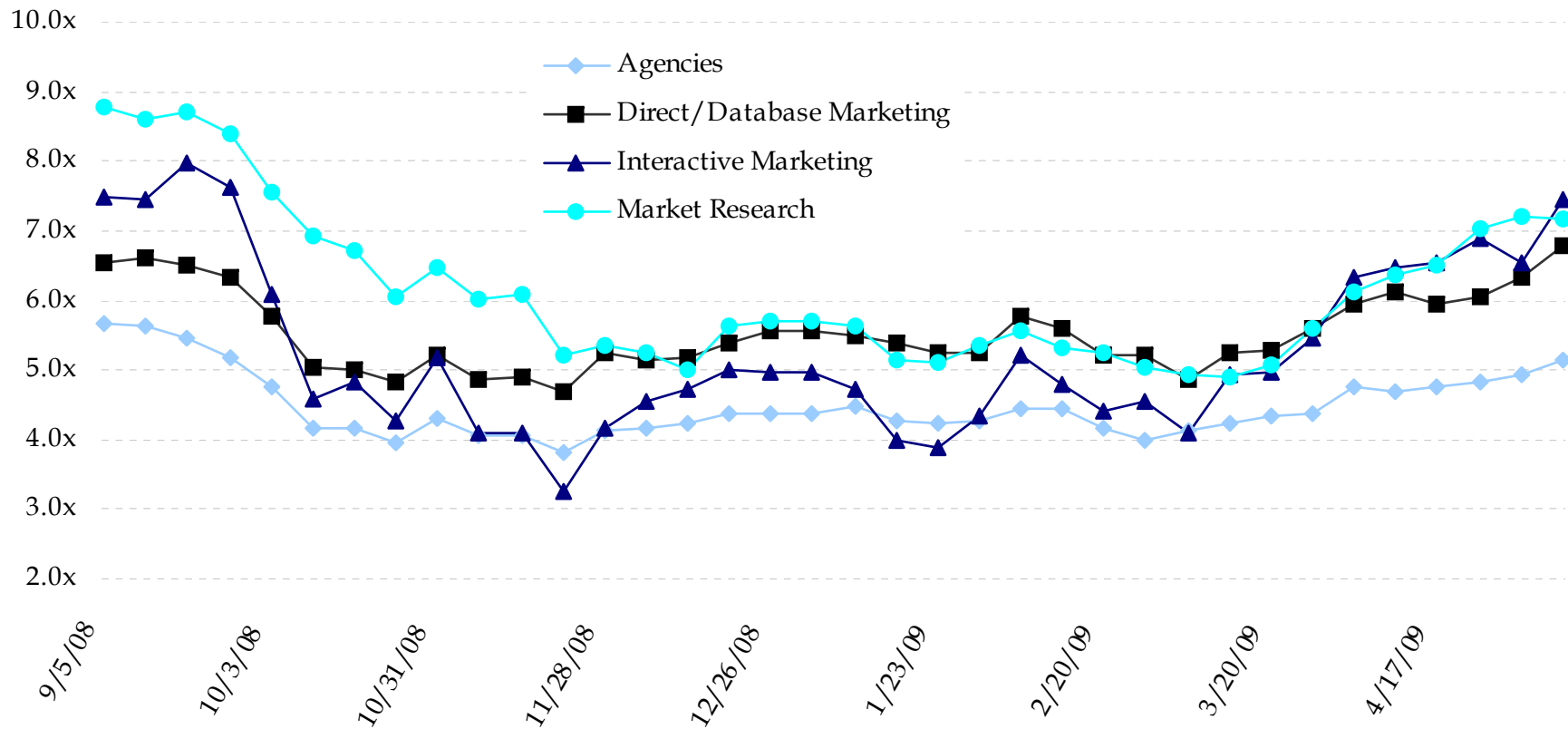




Sentiment Improving

- “[I]t is increasingly clear that the worst is over”
 - *News Corp CEO Rupert Murdoch, 1Q09 conference call, 5/6/09*
- “[Our clients are] keeping a close eye on consumer sentiment, which seems to be stabilizing”
 - *Interpublic CEO Michael Roth, 1Q09 conference call, 4/28/09*
- “[W]e are facing a very interesting situation with digital media, going quite strongly and growing on a regular basis”
 - *Publicis CEO Maurice Levy, 1Q09 revenue call, 4/29/09*
- “M&A activity will pick up significantly in the advertising industry in the second half of 2009 as companies see the light to growth in 2010”
 - *MDC Partners CEO Miles Nadal, via Twitter, 5/9/09*

Valuation Multiples Re-Expanding



Source: Company reports and BMO Capital Markets.



What Does the Future Hold?

- Agency account reviews accelerating after paralysis set in during 2H09
- Re-focus on secular trends rather than cyclical ones
 - Data-driven/rules-based marketing
 - Marketing focus shifts from products to consumers
 - The line between “branding” and “direct marketing” is blurring
- M&A expected to accelerate in 2H09 and into 2010
- IPO market to re-open
 - “I think we will see the end of the IPO drought for venture backed companies within the next year, possibly by the end of this year.”
Fred Wilson, Managing Partner of Union Square Ventures and Flatiron Partners, via avc.com, 5/4/09