



Press Information

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TNS MEDIA INTELLIGENCE REPORTS U.S. ADVERTISING EXPENDITURES INCREASED 0.6 PERCENT IN FIRST QUARTER 2008

New York, NY, June 11, 2008 – Total measured advertising expenditures in the opening quarter of 2008 increased by 0.6 percent as compared to the same period in 2007, according to data released today by TNS media intelligence, the leading provider of strategic advertising and marketing information.

“Enduring concerns about economic conditions and consumer spending behavior continued to cast a pall over the advertising market during the first quarter,” said Jon Swallen, SVP Research at TNS media intelligence. “After a hopeful start to the year, the pace of ad spending slowed perceptibly during March and early figures from the second quarter indicate little immediate or sustained improvement in the core ad economy.”

Ad Spending By Media

Growth leadership, on a percentage basis, was strongest among smaller media types. Sunday Magazines (+17.1 percent) and Network Radio (+12.0 percent) were boosted by an extra week in their reporting quarters. Syndication TV expenditures surged 11.2 percent, aided by more hours of programming and limited exposure to the writer’s strike.

Internet display advertising fell back from its double-digit growth rates of last year but still achieved a healthy gain of 8.5 percent. Cable TV (+4.1 percent) and Outdoor (+2.5 percent) also experienced some slowing compared to recent periods.

Elsewhere, Network TV expenditures increased 0.8 percent, its best quarterly performance in two full years. Consumer Magazine spending was up just 0.2 percent as higher budgets from food advertisers were neutralized by reduced commitments from direct response and pharmaceutical marketers.. Spot TV expenditures slipped 2.4 percent, despite easy comparisons against 2007 levels. The Newspaper sector, beset by the continuing weakness in automotive and real estate, experienced a 5.2 percent decline in total spending.

**Percent Change in Measured Ad Spending:
Q1 2008 vs. Q1 2007¹**

MEDIA SECTOR • Media Type <i>(shown in rank order of 2008 spending)</i>	% CHANGE
TELEVISION MEDIA	1.7%
• Network TV	0.8%
• Cable TV	4.1%
• Spot TV ²	-2.4%
• Syndication - National	11.2%
• Spanish Language TV	4.4%
MAGAZINE MEDIA³	0.8%
• Consumer Magazines	0.2%
• B-to-B Magazines	-3.2%
• Local Magazines	-2.1%
• Sunday Magazines	17.1%
• Spanish Language Magazines	14.2%
NEWSPAPER MEDIA	-5.2%
• Local Newspapers	-5.0%
• National Newspapers	-6.2%
• Spanish Language Newspapers	-5.3%
INTERNET⁴	8.5%
RADIO MEDIA	-4.5%
• Network Radio	12.0%
• National Spot Radio	-3.1%
• Local Radio ⁵	-7.2%
OUTDOOR	2.5%
FSIs⁶	8.8%
TOTAL	0.6%

Source: TNS media intelligence

1. Figures are based on the TNS media intelligence Strategy™ multimedia ad expenditure database across all TNS MI measured media, including: Network TV (6 networks); Spot TV (101 markets); Cable TV (52 networks); Syndication TV; Hispanic Network TV; Consumer (PIB) Magazines (220 publications); Sunday Magazines (6 publications); Local Magazines (27 publications); Hispanic Magazines (26 publications); Business-to-Business Magazines (352 publications); Local Newspapers (144 publications); National Newspapers (3 publications); Hispanic Newspapers (55 publications); Network Radio; Spot Radio; Local Radio; Internet; and Outdoor. Figures do not include public service announcement (PSA) data.

2. Spot TV figures do not include Hispanic Spot TV data.

3. Magazine media includes Publishers Information Bureau (PIB) data.

4. Internet figures are based on display advertising only.

5. Local Radio includes expenditures for 33 markets in the U.S.

6. FSI data represents distribution costs only.

Ad Spending by Advertiser

The top 10 advertisers in the first quarter of 2008 spent a combined total of \$4,425.5 million, a 1.6 percent increase from last year. Across the top 50 companies, a more diversified group of marketers representing nearly one-third of total ad expenditures, spending fell by 1.4 percent.

Procter & Gamble maintained its position as the largest advertiser with \$836.4 million in spending, a robust 15.8 percent increase versus a year ago. The company aggressively expanded advertising support across its portfolios of personal care and household cleaning products. PepsiCo vaulted into the Top 10, posting a 39.5 percent increase to \$334.4 million on higher spending for the Gatorade brand line.

Among the auto manufacturers, General Motors hiked its media budgets by 12.6 percent, to \$532.1 million. Model redesigns for the Chevrolet Malibu and Cadillac CTS triggered much of the incremental spending. By contrast, Ford Motor Company slashed its ad expenditures 31.0 percent, to \$291.1 million with the reductions spread across its auto and truck divisions.

Leading telecommunication companies turned in mixed results. Verizon Communications spent \$531.1 million in the period, a gain of 10.4 percent. AT&T lowered its advertising budgets by 14.6 percent to \$468.1 million.

Top Ten Advertisers: Q1 2008 vs. Q1 2007¹

COMPANY	JAN-MAR 2008 (Millions)	JAN-MAR 2007 (Millions)	% CHANGE
Procter & Gamble Co	\$836.4	\$722.2	15.8%
General Motors Corp	\$532.1	\$472.4	12.6%
Verizon Communications Inc	\$531.1	\$481.0	10.4%
AT&T Inc	\$468.1	\$548.0	-14.6%
News Corp	\$400.6	\$327.0	22.5%
Time Warner Inc	\$385.3	\$413.4	-6.8%
Walt Disney Co	\$338.3	\$367.4	-7.9%
Pepsico Inc	\$334.4	\$239.8	39.5%
Johnson & Johnson	\$308.1	\$363.6	-15.3%
Ford Motor Co	\$291.1	\$422.1	-31.0%
TOTAL	\$4,425.5	\$4,356.8	1.6%

Source: TNS media intelligence

¹ Figures do not include FSI, House Ads or PSA activity.

Ad Spending by Category

The Top 10 advertising categories in the first quarter of 2008 spent an aggregate \$17,399.4 million, down 1.8 percent from a year ago. Financial Services remained the top category at \$2,235.5 million, eking out an increase of 0.3 percent despite cutbacks from many of the top companies across the banking, credit card and lending segments.

Telecommunications category spending slipped 7.5 percent to \$2,053.8 million. Higher expenditures by cable and satellite TV companies were more than offset by reductions at major wireless providers.

Continued weakness in the auto marketplace was reflected in lower ad budgets throughout the industry. The Non-Domestic Auto segment shrank 7.4 percent to \$1,764.7 million and Domestic Auto plummeted 16.0 percent to \$1,445.5 million. The declines were spread across all tiers – factory, dealer associations and local dealers – and were especially severe for light truck vehicles. Automotive advertising has now declined for eleven consecutive quarters.

On the positive side, Direct Response had the largest percentage gain, up 9.3 percent to \$1,912.0 million. The category showed deep strength with higher ad spending levels from a broad range of brands. Local Services & Amusements (+4.3 percent), Restaurants (+3.2 percent) and Travel & Tourism (+3.1 percent) posted comparatively strong gains.

Top Ten Advertising Categories: Q1 2008 vs. Q1 2007

CATEGORY	JAN-MAR 2008 (Millions)	JAN-MAR 2007 (Millions)	% CHANGE
Financial Service	\$2,235.5	\$2,228.6	0.3%
Local Services & Amusements	\$2,207.9	\$2,116.4	4.3%
Telecom	\$2,053.8	\$2,220.2	-7.5%
Direct Response	\$1,912.0	\$1,749.4	9.3%
Auto, Non-Domestic	\$1,764.7	\$1,905.6	-7.4%
Misc Retail ¹	\$1,727.9	\$1,840.6	-6.1%
Auto, Domestic	\$1,445.5	\$1,721.5	-16.0%
Restaurants	\$1,367.8	\$1,325.0	3.2%
Travel & Tourism	\$1,366.1	\$1,324.6	3.1%
Personal Care Products	\$1,318.1	\$1,293.2	1.9%
TOTAL	\$17,399.4	\$17,725.1	-1.8%

Source: TNS media intelligence

Note: Figures do not include FSI or PSA activity. The sum of the individual categories may differ from the total due to rounding.

¹ *Misc Retail does not include these retail segments: Department Stores, Food Stores; Home Furnishing & Appliance Stores.*

Branded Entertainment

TNS media intelligence continuously monitors Branded Entertainment within network prime time and late night programming. The tracking identifies Brand Appearances and measures their duration and attributes. Given the short length of many Brand Appearances, duration is a more relevant metric than a count of occurrences for quantifying and comparing the gross amount of brand activity that viewers are potentially exposed to in the program versus in the commercial breaks.

In the first quarter of 2008, an average hour of monitored prime time network programming contained 12 minutes, 8 seconds (12:08) of in-show Brand Appearances and 15:05 of network commercial messages. The combined total of 27:13 of marketing content represents 45 percent of a prime-time hour.

Unscripted reality programming had an average of 17:19 per hour of Brand Appearances as compared to just 5:29 per hour for scripted programs such as sitcoms and dramas. Late night network talk shows averaged 12:17 per hour. The combined load of Brand Appearances and network ad messages in these shows reached 26:53 per hour, or 45 percent of total programming time.

Brand Appearances vs. Advertising: Q1 2008
(minutes:seconds per hour)

	BRAND APPEARANCES	AD MESSAGES¹
PRIME TIME NETWORK	12:08	15:05
<i>Unscripted Programs</i>	17:19	15:09
<i>Scripted Programs</i>	5:29	5:00
LATE NITE NETWORK (<i>Kimmel, Leno, Letterman</i>)	12:17	14:36

Source: TNS media intelligence

¹ Figures include network advertisements, station promotions and PSAs. Local commercial time is excluded.

Among all monitored network programming during the period, *The Biggest Loser: Couples* had the highest average volume of Brand Appearance time at 47 minutes, 26 seconds (47:26) per hour. Rounding out the top five were *Quarterlife* (40:32); *American Idol* (31:00); *Celebrity Apprentice* (27:40); and *Jimmy Kimmel Live* (24:30).

About TNS media intelligence

Established in 25 countries with more than 16,000 customers, TNS media intelligence is part of TNS, the global marketing insight and information group. TNS media intelligence monitors 3 million brands worldwide across a multitude of media, including TV, radio, print, Internet, cinema and outdoor. The company offers a full range of insights and analyses, including the tracking of advertising expenditures and advertising creative, as well as news and social media monitoring, and sports sponsorship evaluation.

In the U.S., TNS media intelligence is the leading provider of strategic advertising intelligence to advertising agencies, advertisers, and media properties. The company's tracking technologies collect advertising expenditure and occurrence data, as well as select creative executions, for more than 2.8 million brands across 20 media in North America. The U.S. headquarters are in New York City with sales locations in major markets throughout the United States.

www.tns-mi.com

About TNS

TNS is a global market information and insight group.

Its strategic goal is to be recognized as the global leader in delivering value-added information and insights that help its clients make more effective business decisions.

TNS delivers innovative thinking and excellent service across a network of 80 countries. Working in partnership with clients, TNS provides high-quality information, analysis and insight that improves understanding of consumer behavior.

TNS is the world's leading provider of customized services, combining sector knowledge with expertise in the areas of Product Development & Innovation, Brand & Communications, Stakeholder Management, Retail & Shopper and Customer Intelligence. TNS is a major supplier of consumer panel, media intelligence and audience measurement services.

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