U.S. <u>S</u>corecard for <u>M</u>obile <u>A</u>dvertising <u>R</u>each and <u>T</u>argeting (SMART)™

June 2009 (data compiled from 6/1/09 to 6/30/09)

millennialmedia

June 2009 SMART Highlights & Q2 Review

- **U.S. Mobile Internet Reach:**
  - U.S. Mobile Internet increased to 59.8M users; **Millennial Media now reaches 74% of the mobile internet** or 44.2M users, according to Nielsen.

- **June Special Features:**
  - **Top 10 mobile ad verticals in Q2**: #1 Entertainment, #2 Telecommunications, #3 Portals, etc.
  - **Entertainment Knows Mobile. Movie Studios, in particular, have:**
    - Leveraged the mobile ad network model to reach, target and engage consumers.
    - Delivered rich brand experiences on their persistent mobile sites, yet creatively leverage custom landing pages and rich media at different stages of the campaign lifecycle.

- **Engagement & Targeting:**
  - Monthly CPEU rates remained consistent in Q2 across multiple Campaign Targeting Methods, as did percentage changes among the Campaign Targeting Mix.
  - Advertisers continued to invest in their brand's **permanent mobile presence.** In June **campaigns sending traffic to site** as a campaign destination **increased 10.46%.**
  - **48% of campaigns utilized Frequency Capping in June; remained consistent in Q2.**
  - **Average session time increased significantly from 4:28 to 5:38 in Q2.**
  - **98% of page views featured only one ad request** in June.
  - **The average monthly page views per user was 99 page** views in June.

- **Device Highlights**:
  - **68% increase in iPhone & iPod Touch impressions on Millennial Media's network** in June.
  - **Apple's impression share increased 4.20% in June; however, Samsung remained in the #1 position with the largest impression share throughout Q2.**
  - The **iPhone** regained the **#1** spot - this also contributed to the 1.4% month over month growth of Touch Screen device share versus other input mechanisms.
  - The **Blackberry Curve** and **Blackberry Pearl** remained **consistently** in the **#3** and **#5** spots respectively month over month – while **T-Mobile's HTC G1 (Dream)** took the #7 slot in June.

June SMART Contents

Special Q2 Section:
Entertainment Knows Mobile. Millennial Media Knows Entertainment.

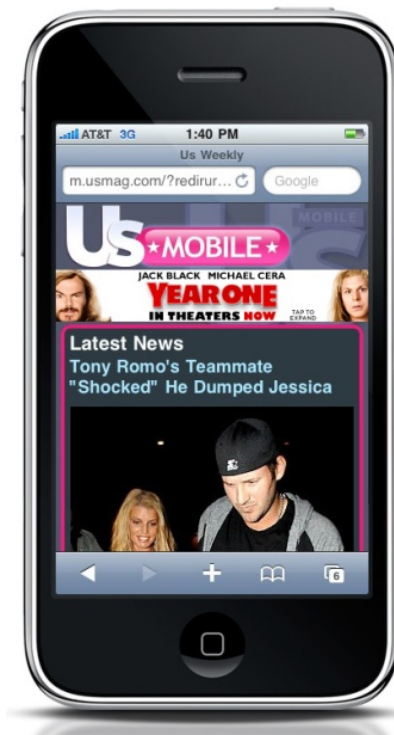| Top 10 Q2 Mobile Advertising Verticals* – Ranked by Spend	
Rank	**Vertical**
1	Entertainment (Motion Picture, TV, Music & Games)
2	Telecommunications
3	Portals
4	Dating
5	Retail
6	Consumer Packaged Goods (CPG)
7	Automotive
8	Armed Forces
9	Education
10	Travel

*Does not include mobile apps, ringtones or downloads

Source: Millennial Media 6/09

Q2 Entertainment Vertical Break-out

4%
7%
9%
16%
63%

- Entertainment-Motion Picture
- Entertainment-Games
- Entertainment-TV
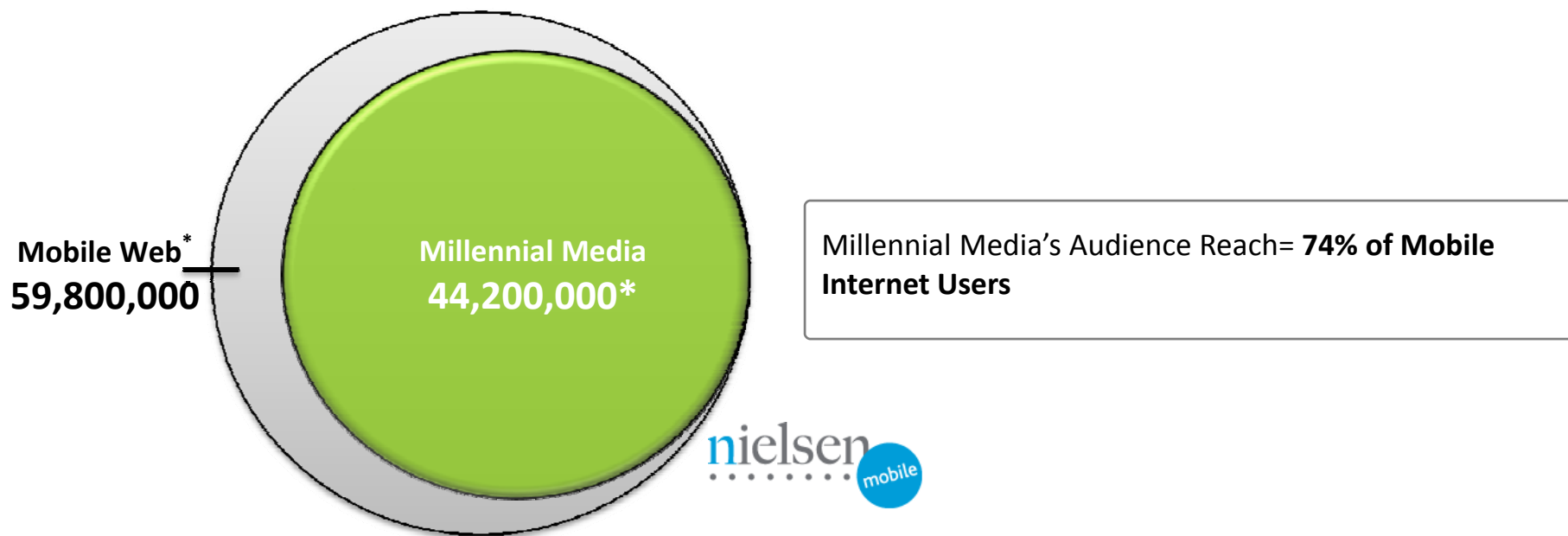- Entertainment - Other
- Entertainment-Music
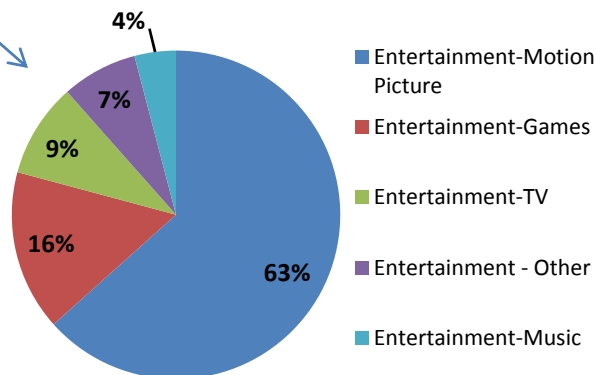
Source: Millennial Media 6/09

June Insights
- Millennial Media's Q2 Top 10 mobile advertising verticals correlated with brand advertising categories from traditional media, such as TV, print and online.
- In June, Portals reigned as the top revenue vertical for the first time since December 2008.
- The Telecommunications vertical jumped from the sixth to the second slot in Q2, as this vertical has become much more active in mobile advertising.

- **Entertainment**: Movie studios led the entertainment category, as they heavily leveraged mobile advertising to create and sustain movie release excitement, and to drive opening weekend ticket sales during the summer movie blockbuster season. Millennial Media executed 17 studio release campaigns in Q2.

U.S. Mobile Internet Reach (reflects Nielsen data from May 2009)

Mobile Web[*]
59,800,000

Millennial Media
44,200,000*

nielsen mobile

Millennial Media's Audience Reach= **74% of Mobile Internet Users**

*The Mobile Web number was extracted from the Nielsen Mobile Report:
Standard Metrics (Internet Applications included), May 2009, All Carriers.

Insight: Consistency
- **Millennial Media's U.S. unique audience reach increased** from 43.2M to 44.2M month over month, to an industry-leading **74% of the mobile Web**. Millennial Media's network includes 11 of Nielsen's top 25 sites.
- The **U.S. mobile Web again grew month over month to 59.8M**.

- **Entertainment:** Motion Picture studios continued to benefit from Millennial Media's extensive reach, providing rich targeting capabilities and custom audiences.

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U.S. Mobile Advertising Engagement Data – June 2009

Mobile Web Destinations: Strategic Hierarchy

Campaign Destination Mix - June 2009

7.59%

30.80%

61.61%

- Traffic to Site
- Custom Landing Page
- Expand Rich Media
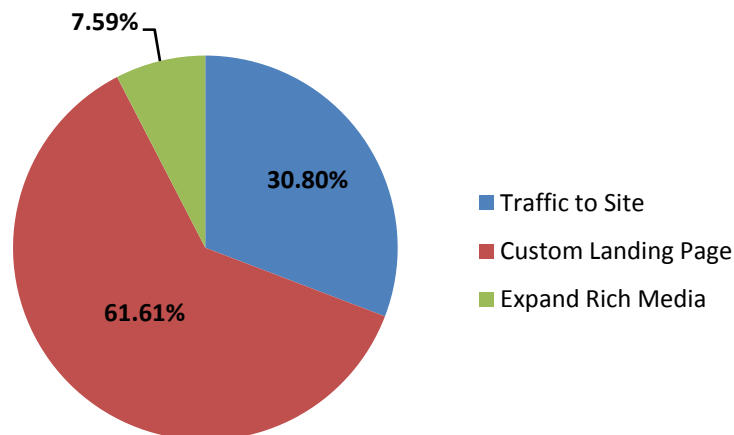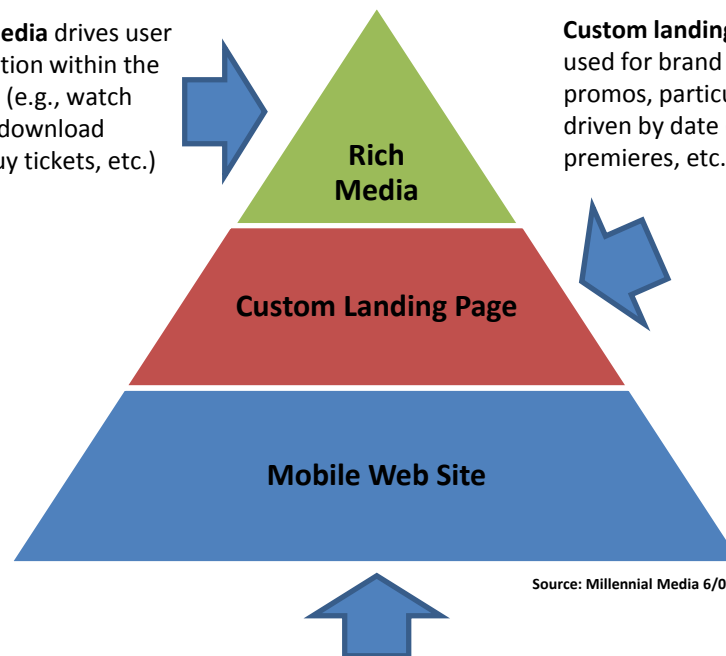
Source: Millennial Media 6/09

Rich Media drives user interaction within the ad unit (e.g., watch video, download app, buy tickets, etc.)

Custom landing pages are used for brand launches or promos, particularly those driven by date (e.g., movie premieres, etc.)

Rich Media

Custom Landing Page

Mobile Web Site

Source: Millennial Media 6/09

A **persistent mobile Web site** is the foundation for long-term brand development via mobile (growing a user base, audience retargeting, etc.)

Q2 Insight - Consistency:
- The use of Traffic to Site in the Campaign Destination Mix rebounded in June with a **10.46% increase.** The 28.38% quarterly average indicates that **advertisers leveraged the advantages of a persistent mobile presence.**
- As the maturation of the mobile advertising industry continues – we anticipate **advertisers will likely opportunistically make use of Custom Landing Pag**es as they do today in online advertising.

- **Entertainment**: Advertisers deliver rich brand experiences on their persistent mobile sites, yet creatively leverage custom landing pages and rich media at different stages of the campaign lifecycle to maximize results.
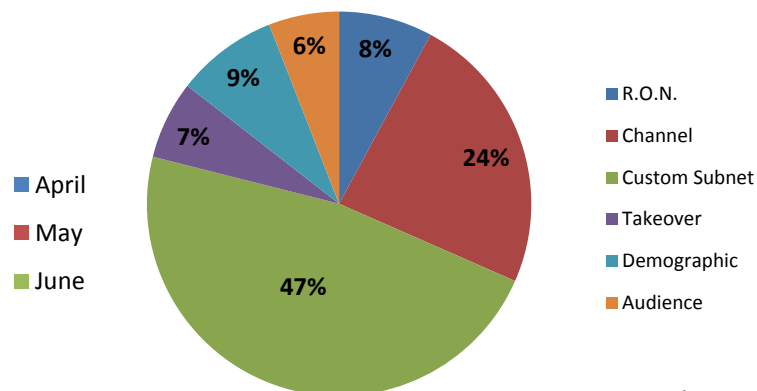
U.S. Mobile Campaign Targeting Methods– June 2009

Q2 Cost Per Engaged User (CPEU)™ by Targeting Method
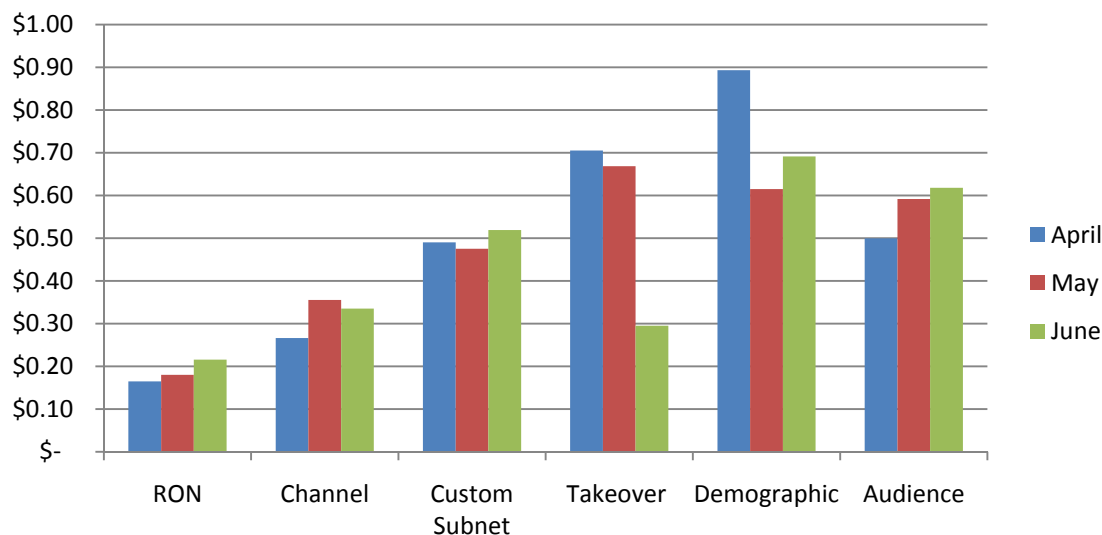
Source: Millennial Media 6/09

Campaign Targeting Mix - June 2009

- R.O.N.
- Channel
- Custom Subnet
- Takeover
- Demographic
- Audience

Source: Millennial Media 6/09

Q2 Insight: Consistency

- Advertisers' **goals to maximize reach with cost effective solutions increased the month over month** CPEU for Run of Network and Custom Subnet, while Channel targeting remained relatively flat.
- **Our Takeover solution delivered excellent value for advertisers with large committed spend for high volume, short duration campaigns**. These campaigns delivered efficient results for advertisers and **drove down the CPEU in this category by more than 55%**.
- Continued demand for advertisers to target their audience by location increased cost for demographic targeting in June – up 12% month over month.

- **Entertainment:** An early adopter of mobile advertising, the entertainment vertical has shaped a best practice approach to campaign targeting. At various points in a campaign lifecycle, these innovative advertisers leverage the network model to flex network reach in order to engage their audience.

U.S. Mobile Campaign Key Statistics – June 2009

48% Campaigns utilized frequency capping

17% Advertisers used rich media creatives

68% Increase in iPhone/iPod Touch impressions (global)

1.06 Number of ad requests per page view

97.2% Image ads vs. text ads

99 Average monthly page views per user

5:38 95th percentile of average user session time (seconds)

Source: Millennial Media 6/09

Q2 Insight: Consistency

- **Frequency capping**, a proven targeting method, was consistently utilized by approximately **half of the campaigns in our network in Q2.**
- Rich media remained strong in Q2 as advertisers continued to find this creative execution as a method to enrich their brand experience on mobile – **Rich Media capabilities expanded to Palm-Pre and Android devices.**
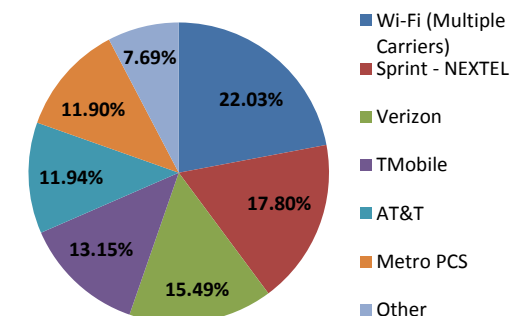
U.S. Device and Carrier Data – June 2009

Top 15 Manufacturers (all Devices)	June Imp. Share	May Imp. Share	April Imp. Share	% Change
Samsung	22.55%	23.74%	21.43%	-1.19%
Apple	16.15%	11.95%	12.83%	4.20%
Motorola	11.20%	11.78%	10.44%	-0.58%
LG	10.50%	10.97%	10.94%	-0.47%
Research In Motion	9.87%	10.18%	10.34%	-0.30%
Sony	7.78%	6.74%	8.50%	1.04%
Danger	5.49%	6.43%	7.23%	-0.95%
HTC	4.61%	4.87%	5.03%	-0.27%
Nokia	2.92%	3.18%	2.34%	-0.26%
Palm	1.98%	2.26%	2.73%	-0.28%
Kyocera	1.74%	1.85%	2.01%	-0.11%
SonyEricsson	1.41%	1.76%	1.73%	-0.35%
UTStarcom	0.81%	0.84%	0.80%	-0.03%
ZTE	0.67%	0.70%	0.66%	-0.03%
Sanyo	0.47%	0.60%	0.68%	-0.12%

Source: Millennial Media 6/09

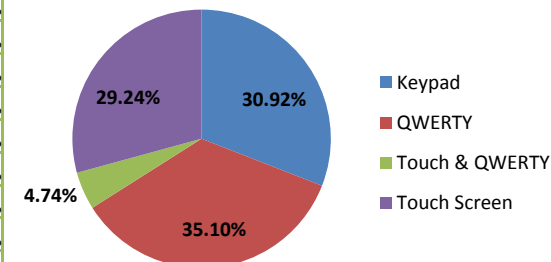| June	May	Top 20 Mobile Phones**	June Imp. Share	May Imp. Share	April Imp. Share	% Change
1	2	Apple iPhone	8.58%	6.54%	7.12%	2.04%
2	1	Samsung SPH-M800 (Instinct)	6.22%	7.19%	5.65%	-0.97%
3	3	Blackberry Curve	5.84%	5.67%	5.70%	0.17%
4	4	Samsung SCH-R450	4.29%	4.39%	4.31%	-0.10%
5	5	Blackberry Pearl	2.85%	3.01%	3.42%	-0.16%
6	6	Danger Sidekick 2008	2.70%	2.95%	3.33%	-0.25%
7	9	Tmobile/HTC G1 (Dream)	2.12%	1.82%	1.72%	0.30%
8	7	Danger Sidekick LX	1.80%	2.10%	2.43%	-0.29%
9	8	LG CU920 (Vu)	1.78%	1.82%	1.95%	-0.04%
10	11	LG VX9700 (Dare)	1.64%	1.63%	1.77%	0.01%
11	16	Samsung SPH-M540	1.45%	1.34%	1.19%	0.11%
12	10	Palm Centro	1.45%	1.72%	2.03%	-0.27%
13	14	Blackberry Storm	1.42%	1.39%	1.43%	0.03%
14	13	Motorola Q9	1.42%	1.56%	1.83%	-0.14%
15	15	Samsung SCH-R430	1.39%	1.38%	1.36%	0.01%
16	12	Danger Sidekick Slide	1.38%	1.59%	1.81%	-0.21%
17	18	LG VX10000 (Voyager)	1.21%	1.24%	1.30%	-0.02%
18	19	Samsung SGH-T919	1.10%	1.14%	1.26%	-0.04%
19	20	Kyocera S1300	1.09%	1.13%	1.38%	-0.04%
20	17	LG LX260	1.06%	1.33%	1.72%	-0.27%
			50.82%	50.96%	52.70%	

*Does not include non-phone Wi-Fi devices such as iPod Touch, Sony PSP, Nintendo DS, and Amazon Kindle

Source: Millennial Media 6/09

U.S. Carrier Mix - June 2009

- Wi-Fi (Multiple Carriers) — 22.03%
- Sprint - NEXTEL — 17.80%
- Verizon — 15.49%
- TMobile — 13.15%
- AT&T — 11.94%
- Metro PCS — 11.90%
- Other — 7.69%

Source: Millennial Media 6/09

Device Input Mix – June 2009

- Keypad — 30.92%
- QWERTY — 35.10%
- Touch & QWERTY — 4.74%
- Touch Screen — 29.24%

Source: Millennial Media 6/09

Q2 Insight: Consistency

- **Apple's impression share increased 4.20%** month over month (11.95% to 16.15%) **; however, Samsung remained in the #1 position with the largest impression share.**
- The **iPhone** regained the **#1** spot representing **8.58% of June's** impressions - this also contributed to the 1.40% month over month growth of Touch Screen device share versus other input mechanisms.
- The **Blackberry Curve** and **Blackberry Pearl** remained **consistently** in the **#3** and **#5** spots respectively month over month – while **T-Mobile's HTC G1 (Dream)** increased share month over month taking **the #7 spot in June**.
- **The top 20 mobile phones represented 50.82%** of all handset traffic in **June** – as more advanced devices entered the market with richer capabilities, the share of impressions among the top 20 devices declined month over month in Q2.

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Summary and Reporting Methodology

About Millennial Media
Millennial Media is the leading mobile advertising networks company in the U.S**.** With the greatest U.S. audience reach, we deliver engaging mobile advertising campaigns on the highest quality publisher network—at a scale that is unequalled in the mobile marketplace. As pioneers that helped shape an entire industry, we're at the cutting edge of innovation, providing the premier end-to-end advertising platform for mobile devices. Please visit www.millennialmedia.com for more information.

About SMART
The Scorecard for Mobile Advertising Reach and Targeting (SMART)™ delivers monthly insights on key trends in mobile advertising based on actual campaign and network data from Millennial Media, Inc. Millennial Media partners with major carriers, media networks, and top-tier publishers to deliver the largest audience reach of any third-party U.S. mobile advertising network. As such, we are uniquely able to collect a rich set of carrier, device and ad campaign data and accompanying analysis gathered over billions of monthly ad requests. Elevating and driving the whole mobile ecosystem forward is central to our company mission. Visit www.millennialmedia.com/research to receive Millennial Media-related news. The SMART was designed to speak to brand advertisers; however, for information on our performance product, Decktrade™, please contact us directly or visit our website.

Nielsen Reach Methodology:
Nielsen Mobile, a service of The Nielsen Company, is the world's largest independent provider of syndicated consumer research to the telecom and mobile media markets. Nielsen Mobile focuses exclusively on tracking the behavior, attitudes and experiences of mobile consumers. Their reports also provide up to seven years of data on internet, video, gaming, audio and advertising trends for mobile phone users. Mobile user behavior information is derived from general U.S. population samples under established and accepted rules. For more information, please visit www.nielsenmobile.com.

Millennial Media Methodology:
Network reach is calculated from the count of unique users across our entire network. Millennial Media uses proprietary techniques to uniquely identify at least 75% of our user base persistently across our network, and tracks the unique reach over the course of the month-long period. For the remainder, the unique user data is used to calculate the average frequency of views that a user consumes in a month. We apply that average frequency to the remaining impressions to determine our network-wide reach. Data provided is derived from Millennial Media server log activity for the time period indicated. Cost Per Engaged User (CPEU™) averages overall campaign spend against the number of unique users who engaged with the campaign creative. CPEU is derived by applying the overall media spend to the total number of users that engaged in any one of the actions which campaigns provided, such as expanding a rich media creative, visiting a landing page, watching a video, etc.

For questions about the data in this report, or for recommendations for future reports, please contact us at research@millennialmedia.com.