media fact book
ROMANIA 2010
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Your comments and suggestions are welcome as a valuable input for the future editions of this book.
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Has the crisis bottomed out? Based on the evolution of Western markets - maybe. But can Romania share the same optimistic feel?

I am afraid not.

Some say Q4 2009 was very good. At least compared to Q4 of 2008.

Similarly, the media & advertising industry reckons that Q1 2010 was also better. But then again, Q1 2009 was the worst quarter this industry had seen in a decade, so the comparison falls short of relevance.

The truth is, the volume of advertising has increased by 35-40% in 2010, but when you factor in the rock-bottom prices achieved, expenditure is hardly an inch above that of 2009.

Still, it is a good sign that the demand for advertising has increased strongly in 2010, and this justifies some optimism for us all.

Now, let’s look into the Government plans aimed to support such growth going ahead. Which plans you ask?

Exactly.

Money borrowed from local banks and from International loan institutions went to support the currency and the National Bank - as well as to paying salaries and pensions. Essentially, consumption has provided some illusion of economic recovery.

Ironically, the budgetary expenses have grown in 2010 by 2.6% vs. 2009 - while private companies kept picking up the tab for everyone’s survival.

Finally forced into action, the Government has drafted a hasty plan to reduce the huge national expenses. First reduction is aimed at the income of a huge slice of the active population – public employees - then into pensions. This will impact consumption head on. If that doesn’t suffice, the Government may well resort to dreaded tax hikes, affecting both businesses and individuals.

So let’s give the benefit of the doubt to predictions made today about the second half of 2010 - let alone 2011. There are simply too many variables.

However, we should preserve some optimism. It’s part of our job.

If things don’t go terribly wrong, we should expect the advertising pressure to increase this Fall/Winter season, as is customary. Assuming the quality inventory is already almost sold out on TV, a further increase of 5-10% in demand will put pressure on prices. Of course, Print, Radio, Outdoor and increasingly Online will be there to accommodate some of this surplus demand.

So what does this mean? Initiative’s annual estimates for 2010 vs 2009 indicate a decrease of the total media market by another 9% where TV goes down 6%, Print some 25-30%, Radio 10%, OOH some 15-20%. The only media estimated to grow is in fact Online, by about 10-15%.

We believe that 2011 should follow the trends established in the last quarter of 2010. Considering that TV prices are unlikely to decrease further, we should expect a natural correlation of price and demand in 2011 – along with the subsequent clutter and sell out that has occurred this year.

Yes, TV trends are of major interest for most advertisers.

But let’s move our attention away from TV for a minute, shall we? Who is your ‘target’ in fact? And how much does TV really mean to them?
Some may consider me old at 41, yet I grew up with computers and internet for most of my adult life. I buy stuff online; I read news online; I use it to make my decisions and form opinions about stuff.

I work in an office surrounded by young people effectively ‘breathing’ digital. They tweet each other. YouTube is their favorite TV channel. LinkedIn is their professional network. Facebook is a big part of their social life. Basecamp is their project status drill every morning. Google answers their questions. Blogging is how they debate. Sometimes it’s even about brands and commercial offers of some sort…

They tend to despise unilateral speech, which is exactly what most advertising campaigns do. They consider intrusive online formats used by many advertisers not just primitive but also offensive. So we had better watch out how we use online advertising to avoid getting - and paying for - the exact opposite effect.

Simple logic tells me that most Romanians between 20 and 40 use digital technology and interaction. That’s about 7.3 million people*. You should be concerned about interacting with them.

For those who believe Digital is the communication channel of the future, some numbers** below will perhaps surprise you… today.

30% of Romanian users stay online 4 hrs+ per day vs. only 17% of all European users
63% of Romanian users go online 6-7 days/week
75% of Romanian users go online to find a product/service vs 74% of all European users
83% of Romanian users read news online vs 79% of all European users
96% of Romanian users use online search vs 89% of all European users
50% of Romanian users watch movies and videos online vs 33% of all European users.

*(source INSSE)
**(source MCDC study by IAB Europe)

So I guess critical mass, usage and favorability are beyond any doubt. Marketers can go out there and exploit this channel for all its worth.

But it’s not as straightforward as TV. It requires more creativity to engage with your target audience, to get social, to make them talk among themselves, to talk back to you, to recommend to a friend, and of course to buy. You have to be relevant and entertaining to create interest and build conversation. You might not be experienced with that communication model and not exactly sure how to go about it.

I sometimes feel just the same but personally, I trust these young guns who are masters of the virtual universe. They seem to know what to do to be relevant to people like themselves - they know what they want.

It’s time you gave them a chance to make a difference - together with an open ear and mind.

It’s time you listened to the advice of a young man, for a change.
Living in interesting times…

As anyone who works in the media will tell you, 2009 was a difficult year. Change, turbulence and reduced budgets have had an impact on all businesses. The fact that we outperformed against this backdrop of the wider market is something we are proud of. Despite a good start to 2010, with new business wins from the last quarter of 2009 becoming active, we are not resting on our laurels.

Our client portfolio has always been one of the strongest in the market - Orange, Johnson&Johnson, Ferrero, BMW, Millennium Bank, Pernod Ricard, MOL Romania, Supreme Group, Provident Financial, Kika, Burger King, Fujitsu Siemens, etc.

Initiative Romania is part of a bigger family of advertising and media companies – the Interpublic Group (IPG). Along with our other international networks (Lowe & Partners, Lowe PR and Brand Connection) and with a strong local digital specialist, Hyperactive - Initiative is a truly global network with offices in 69 countries, creating transformational media exchanges between brands and consumers.

In Romania, Initiative has a long and rich history. 16 years ago the media landscape looked very different but as the first international media planning group we were always leading, not following. Today the landscape has changed, but the same leading approach gives our clients a thorough understanding of the opportunities available across both traditional and emerging media platforms. This approach was recognised at the 2009 Internetics Festival, where Initiative and our client Orange have each been awarded prizes, making it the first time that a traditional media agency won awards that are usually aimed at digital agencies, confirming once again our positioning as the Media, Marketing and Digital agency.

And then of course, there’s the bottom line - our size ensures that we offer our clients unbeatable value in the Romanian market - (currently ranked 3rd by RECMA in billings)

We are truly a full service media agency – including quantitative & qualitative research, communication, media strategy & implementation planning – buying and innovative non-standard special media projects (event and media sponsorship, product integration, etc).

As part of this service – we also offer to our clients:

- Media Landscape – quarterly analysis of the media market;
- Media Fact Book – starting 1997, Initiative Romania is the exclusive publisher of this media annual guide, unique on the Romanian market.
- Media training – Presentation of media basics (terminology, methods) and on-the-job training in Initiative’s office.
- Media PR – Initiative provides media coverage to PR events organised by clients, upon request and project specifics.
- Outdoor Mapping – providing clients a better campaign management
- Digital concept & design management – offering clients integrated digital solutions by managing the entire process from ideation, concept and design to media planning and implementation of digital campaigns, either directly or in partnership with our digital specialist division, Hyperactive.

But what makes us special? Our team is the most experienced in our field. We understand marketing from the clients perspective – and we are ahead of the curve in understanding what new opportunities are available (and relevant) to an efficient media plan. We have the tools and we have the talent.

In short - our goal is to increase your brand’s value by engaging the right customers at the most competitive prices

To find out more about us at www.initiative.com call Steve Dallas at +4021 301 01 00 or write to us at office@ro.initiative.com.
HyperActive is a full-service digital communication agency that has recently joined the ‘family’ of other reputed IPG agencies and communication specialists in Romania along with Initiative Media, Lowe & Partners Worldwide, Scholz & Friends, Lowe PR and Brand Connection making for a stronger group offering in Romania. Through strategy, creative, design, content, technology and advertising, HyperActive creates digital marketing initiatives that spread and generate ROI.

HyperActive started operations in early 2008 with a handful of enthusiastic digital specialists. In December 2009, we have joined forces with IPG’s Initiative Media and Lowe & Partners. Our mission is to support and guide our client’s endeavours in the digital environment aiming to help them enhance their profits and results from their digital investments.

Today, Hyperactive has 18 staff, including all disciplines: strategy, account services, creative, web design and development, emailing, SEO, SEM, and programming.

The client portfolio of HyperActive includes strong brands and successful companies amongst which: Orange Romania, Forever Living Products Romania, BMW, Millennium Bank, Romanian-Canadian MBA, Depozitul de Papetarie, Siepcofar SA / Farmaciile Dona, Maguay, Johnson & Johnson, etc.

Today's digital communication is about focusing on consumers, not on brands. Starting and maintaining a proactive conversation with consumers is critical. Speaking to consumers where they are in your brand’s lifecycle and getting them engaged when they are most open to being contacted will create the perfect opportunity to transform them into passionate advocates.

Our goals are often related to developing effective and efficient online communication strategies and subsequent campaigns, increasing lead volumes and conversion rates – not just traffic – on client’s website, increasing the usability and user experience while generating brand awareness.

To achieve this, HyperActive knows that it takes more than a graphic designer to create a brand identity, more than a programmer to develop a website and more than a good promotional idea to build a marketing strategy. In the ever-changing environment of the consumer, creating a successful brand is not enough. We have to build brands that are engaging, fun and respond to our needs as we see fit.

At the end of 2008 – Hyperactive’s first year of existence – the global economic downturn had affected all industry sectors. Advertising and digital advertising & communication were not spared.

Despite this, 2009 was an excellent year for HyperActive. We managed to increase billings by 35% and win new accounts.

In the ever-changing environment of the consumer, creating a successful brand is not enough. To have a real impact, your brand needs to build bridges, extend relationships and exceed expectations.

HyperActive is here to help clients understand where the marketing world is going by means of digital, and works to get their business there.

To find out more about HyperActive please visit us at www.hyperactive.ro, follow us on Twitter @HyperTweet, call us at +4021 211 1525 or write to us at office@hyperactive.ro
Brand Connection is a European media network part of Interpublic Group of CO’s (IPG), alongside its sister agency network, Initiative Worldwide.

In Romania, Brand Connection was established in 2005 and is part of the same communication group with Initiative, Lowe & Partners, Lowe PR, Medic One, Hyperactive and Scholz & Friends.

Brand Connection provides the entire range of specific services from media strategy and planning to research and media buying.

Vision

Brand Connection is a new generation medium-size media agency, flexible, but with the buying power of a large agency, we provide special care for each of our clients. We target direct local clients and we are also the media arm for some creative agencies.

Efficient investments are guaranteed through a unique approach rooted in the needs of the client and accomplished through creative thinking.

People

All Brand Connection specialists are experienced professionals, part of them working with the group from the very beginning, originally as members of the Initiative team. The two agencies are set up and work independently whilst sharing in common expertise, tools, media buying power and most of all, a vision of hard work, consistency and world class standards.

The client portfolio of Brand Connection includes: Intesa SanPaolo Bank, LaborMed Group, CSC Pharmaceuticals, Boehringer-Ingelheim, Phillip Morris Romania, Porsche Inter Auto Romania, Lilly, The AD Store, British Council, Editura Maxam.

Find out more about Brand Connection at www.brandconnection.ro, call at +4021 301 01 38 or write to us at: officebc@brandconnection.ro.
Geographical and Administrative Organization

Romania is the largest country in the Balkans and the 13th in Europe, with an area of 238,391 sq. Km (92,043 sq. miles).

Romania is a Republic and according to the 2003 Constitution the President is elected every five years by universal vote for a maximum of two mandates. The two-chamber Parliament, the Senate and the Chamber of Deputies, are the people’s supreme representative bodies and the only law-making authority. Both chambers hold equal and complementary responsibilities. The official language is Romanian. The denomination implemented as of July the 1st, 2005 brought the national currency, Romanian LEU, one step closer to converting it to EUR (1 RON = 0.2442 EUR in Apr 2010).

Bucharest is the political and administrative capital of Romania (approximately 1.9 million inhabitants), being the 6th city in the European Union in terms of population. In reality, Bucharest is gathering daily over 3 million people. Other major urban centers are: Iasi, Galati, Timisoara, Constanta, Cluj-Napoca, Craiova, Brasov, Ploiesti, Braila, Oradea and Bacau, all having over 200,000 inhabitants.

As of January 1st, 2007, Romania became a member of the European Union.

Demographics

Based on INS (National Institute for Statistics) and EUROSTAT figures, the Romanian population reached 21,466,174 inhabitants in April 2010, of which 51% are female and 49% are male. The average density is 90.2 inhabitants per sq.km.

In Romania there are approximately 7.3 million households, with an average size of 2.9 inhabitants per household; 55% of the population is urban, while 45% reside in rural areas.

In the first three years after 22nd December 1989, the Romanian population decreased dramatically due to migration and a declining birth rate. Although the rate of migration declined during the last 7 years, it is estimated that up to 3 million people represent labor migration into the European Union.

![Population structure by gender (at January 1st)](source: INS)
Life expectancy has been constantly increasing between 2002 – 2008 (by approximately 0.3 per year), as the impact of economic growth improved the quality of life, especially in urban areas, bringing the average life expectancy to ~73 years in 2008.

Source: EUROSTAT

The Romanian population consists of Romanians (91%), Hungarians (6.7%), Gypsies (1.1%) as well as Ukrainians, Germans, Russians (Lipovan), Serbs, Turks and other nationalities. The predominant religion is Orthodox (86.8%) followed by Roman-Catholics 4.7%, Reformats 3.2% and 5.3% other religions.

According to INS, the Romanian population is fairly young, with 45.5% of the population aged below 35 years; nevertheless the population structure shows a clear aging tendency, as since the year 2000 the number of people under 14 years decreased by 3%.

Source: INS
Employment

Since 2000, Foreign Direct Investments have been one of the catalysts for constant economic growth, and having a positive impact on the unemployment rate. In 2009, the average unemployment rate grew to 6.8% (from 4.4% in 2008), taking the Romanian labor market back to the levels of 2003-2004.

According to the National Committee of Prognosis, the forecast for 2010 is for an unemployment rate of 6.4%.

Based on international unemployment rate statistics, Romania is ranked outside the top 50.

Economy

The Romanian GDP increase of 7.1% in 2008 was counterbalanced by the recent worldwide economic crisis, going down to -7.7% in 2009. The worst case scenario for GDP is for an increase of at least 0.5% in 2010.

The national currency appreciation registered during 2004 - 2007 has been reversed in 2009, reflecting a yearly average depreciation of the Romanian local currency (RON) of 15% against EUR and 21% against USD. At the end of 2009 the exchange rate was at it’s highest for the last decade at 1 EUR for 4.2881 RON, due to the difficult economic conditions.
Despite the national currency appreciation trend, the inflation rate has registered significant fluctuations in Romania during the last five years - from 9% in 2005 down to 4.8% in 2007, then up again to 7.9% in 2008, reaching 5.6% in 2009. The 2010 forecast of 3.7% is questioned, considering the still critical economic conditions.

Note:

- **GNI per capita, Atlas method (current US$)** – GNI per capita (formerly GNP per capita) is the gross national income, converted to U.S. dollars using the World Bank Atlas method, divided by the midyear population. GNI is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. GNI, calculated in national currency, is usually converted to U.S. dollars at official exchange rates for comparisons across economies, although an alternative rate is used when the official exchange rate is judged to diverge by an exceptionally large margin from the rate actually applied in international transactions. To smooth fluctuations in prices and exchange rates, a special Atlas method of conversion is used by the World Bank. This applies a conversion factor that averages the exchange rate for a given year and the two preceding years, adjusted for differences in rates of inflation between the country, and through 2000, the G-5 countries (France, Germany, Japan, the United Kingdom, and the United States). From 2001, these countries include the Euro area, Japan, the United Kingdom, and the United States. Source: World Bank national accounts data, and OECD National Accounts data files.

- **GNI per capita, PPP (current international $)** – GNI per capita based on purchasing power parity (PPP). PPP GNI is gross national income (GNI) converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GNI as a U.S. dollar has in the United States. GNI is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. Data are in current international dollars. Source: World Bank, International Comparison Program database.

Source: World Bank

Source: INS / CNP
Romania maintained the upward trend of GNI (Gross National Income) per capita, the increase rate for 2007 and 2008 remained above 16% at purchasing power parity. This increasing trend is generated due to three possible factors: the GDP increase, the increase in net primary income from abroad and the decrease in population size (due to migrations), but one can expect the GNI trend to decrease with the impact of the economic crisis.

The number of days needed to start a business in Romania is 10 in 2009, compared to 29 days necessary in 2003.

Conclusions and Forecasts

Romania has the second-largest economy out of the ten East European countries that joined the EU since 2004, nevertheless its GDP per capita at purchasing power parity is behind most of the other post-communist states that joined the EU. The Romanian economy is more focused on services, with the construction sector having a considerable impact on economic growth, while countries with strong manufacturing facilities (i.e. Poland) have been less affected by the economic crisis.

Domestic consumption and investment resulted in strong GDP growth in recent years, but also led to large current account imbalances. Current account deficits, delays of structural reforms, the unique tax rate limited the National Bank of Romania’s (BNR) capacity to counteract inflationary pressures. Inflation rose in 2007-2008, driven by strong consumer demand and high wage growth, rising energy costs and increasing food prices, as well as a relaxation of fiscal discipline, but it fell in 2009 as a result of the world recession. Romania’s GDP growth contracted markedly in the last quarter of 2008 showing the effects of a worldwide downturn in financial markets and trade, and GDP fell nearly 7% in 2009, and unemployment doubled (due to the return of Romanians working abroad, immigrant workers and collective layoffs).

The Romanian currency (RON) is already affected by the current global crisis, and may be adversely affected later by speculation about entry into ERM2 (EU’s exchange-rate mechanism) and eventual accession to European economic and monetary union (EMU), expected after 2015. The National Bank of Romania will pursue a cautious approach to euro adoption, but ERM2 entry poses risks for RON stability, if doubts arise over Romania’s ability to join EMU quickly.

Large-scale investment in transport infrastructure can make a significant difference to business, but Romania’s infrastructure still lacks in terms of coverage and quality. The state will retain a strong presence in strategic sectors of the economy (e.g. the energy sector). The domestic demand-driven economic growth of recent years is hardly sustainable and a policy correction will be necessary at some point to ease concerns about external vulnerabilities.
The biggest and most important trend is the growth of online, both in terms of usage, content dimension and complexity as well as the endless possibilities for interaction.

The Internet continues to develop more rapidly than the industry’s ability to keep up with its potential and effective use. Internet’s growth in terms of consumption will also come from its capacity to import and integrate other media (TV and Radio through video platforms, podcasts and webcasts, Print content as well as even SMS through web2sms services). For the development of the Internet the financial crisis acts as a catalyst for those advertisers and media agencies who are ready to closely look into it, learn and use it.

The audience of the generalist TV stations started to erode a few years ago, whilst the financial crisis has accelerated the trend of audience polarization towards lower education, lower income and also older demographics. This process will continue in the coming years. Niche stations will continue to grow and attract younger audiences and/or middle to higher social status audiences at a rate that is proportional to the station audience share.

Radio will continue to be very diverse in audience structure, but also a media that is less likely to deliver advertising content in an efficient manner.

The most important trend expected for Radio is digitalization, following the increased share of consumption facilitated by the new technologies.

Print undergoes the strongest correction of all media. The correction in Print mainly took the form of cost rationalization. Large duplicated audiences inside one segment went through a natural process of de-duplication as fewer titles within each segment are being bought and read, with advertising spend following a similar trend. However, Print has strong enough brands to avoid collapse and in some cases (like, for examples, in the case of glossy women's magazines, men lifestyle magazines and sports newspapers) proved to support Internet content development (not the other way around as was hoped). Established titles with loyal readers will survive but from this point onwards the audience can only increase through adding that of the online product.

The audience for OOH will remain flat as the population size and the amount of time spent outside their home are unlikely to change significantly in the coming years. However, OOH awareness and impact is likely to increase in the future depending on the implementation of new technologies aimed to make it more visible, attractive and interactive.

Just as media consumption is transforming based on the advent of new technologies so media channels will have to adapt to this continuously evolving reality.
**Overview**

The Romanian media market started its downward trend in October 2008 and faced the full crisis in 2009. Overall the expenditures went down for all types of media (TV, radio, print, internet, cinema, outdoor), as the major advertisers increased their focus on adjusting their media investment each quarter.

In 2009, the total media market in Romania decreased by 37% in net value, reaching a level lower than in 2006. All media have been impacted by the economic crisis, however Print was the most affected media (-55%), followed by OOH (min -40%), while TV decreased by 34%, Radio by 28% and Cinema & Internet by 19%.

Despite the decreased volumes, TV increased its share of the total net media market by 3%, due to deflated prices and more available inventory. In addition, the crisis has strengthened TV’s already strong position as the Romanians’ favorite entertainment source, more and more Romanian people choosing to spend their spare time in front of the TV. New TV channels were launched in 2009: Digi Sport, Digi Sport+ and Mynele TV, while Eurosport 2, VH1 started to be monitored by GfK Romania audience data system.

The print market was characterized by an overall audience drop, as most magazines and newspapers decreased their circulation. Some titles focused on their online edition, while others were closed down.
Radio market faced almost the same problems as print, many local stations were closed, some decided to exit the radio audience measurement, while others tried to improve their presence on internet. 2009 was marked by changes in the top station for audience share in Bucharest with Radio ZU surpassing Radio 21.

OOH was in 2009 the second most affected media after print, mostly due to the lack of measurement and evaluation tools. On top of this, the expensive production costs for large formats and special locations had also limited the usage of this medium. Given the market context, the leading operators have slowed down the renewal rate of OOH advertising supports - street furniture, TV screen panels and scrollers. Despite this, it is estimated that the total number of sites available has remained approximately the same as in 2008.

Cinema increased its number of admissions and new cinema openings. Despite its development cinema seemed to be one of the last choices for media communication, due to a low rate of visits during one year (accordingly to BRAT SNA Focus, only 14% of the population went to the cinema in the last 12 months).

In 2009, the online advertising, more customizable and offering strong targeting capabilities, increased its share in total net media market, reflecting the lowest decrease in volume. This was generated by the increasing number of users and due to the fact that internet becomes a more trusted source of information compared to TV and Print, and is also getting more available for the urban population each day.

**Top Investors**

"Mobile Telecommunication Services" continue to be in first position, with “Cosmetics” (ranked 2nd in 2008) dropping by 37% in 2009. The categories with the biggest cuts in media investment in 2009 were “Banking & insurance services” (-36%) and “Cars & 4x4 vehicles” (-39%), being directly impacted by the freeze on credit loans.

Categories with growing investment in 2009 were “Medical & optical products & services” (+12%) and “Milk products” (+22%), while segments like “Hygiene Products”, “Laundry products” and “Beer” had a small increase comparing with the leading ones (increasing by just 1% or 2%).
For the first time since entering the Romanian market, P&G decreased its spend (-9%), whilst still retaining the leading position. L’Oreal and Unilever are other important advertisers who severely reduced their media spend in 2009.

Advertisers with increasing budget in 2009 were: Danone (+50%), Henkel (+37%) and Reckitt Benckiser (+32%).
Danone was the most advertised brand in 2009, while Adevarul had the most spectacular ad spend increase. Other brands with significant growth were Jacobs (+72%), Coca Cola (+39%), Vanish (+33%) but also the telecom brands Orange and Cosmote.

### Perspectives 2010

According to Initiative’s estimation, the total net ad spend in 2010 will continue it’s downward trend and will decrease by up to 9% vs. 2009. Despite the decreasing volumes, TV and Online are expected to increase their share of total net media market.

Print (-27%) and OOH (-17%) will be the most affected media, while Radio is expected to decrease only marginally (-10%). TV will decrease by 6%, whilst the online market is expected to grow up to+12%.

The share of print in the media budget allocation will be reduced in favor of online or even radio. The local print market, currently consisting of over 300 titles, and will most probably face significant cuts.

The online market will be influenced by the new set of rules being debated by the IAB regarding a set of guidelines for performance of media placements. This, along with the good signs already shown in Q1 2010 with increased investments versus last year will put online communication on an ascending trend.

In Q1 2010 the top investors didn’t change dramatically compared to 2009. The leading categories in terms of investment are “Medical & optical products & services”, followed by “Mobile telecommunication services”. “Hygienic”, “Milk products”, “Banking & insurance services” and “Cosmetics” are also ranked in the top spenders just as in 2009. The new entry so far in 2010 is “Chocolate products & specialties”, with “Cars & 4x4 vehicles” dropping out. “Procter & Gamble” maintained the leading position.

It is often that we hear the expression “when the media market will get back to normal”...but this is merely just a way to reject the current reality. The media market will never go back to the way it was. Despite all the issues that the crisis has caused and will continue to cause, media is evolving. And despite the grim perspective of what is happening now, the reality is that when we emerge from the crisis we will see a very different media landscape than the one we had before.
Overview

2009 was the first year of crisis and market deflation in the past decade. Still, TV decreased less than the total market (-33% vs. -36% in terms of net volumes). Due to the crisis, television became the Romanians favorite entertainment source, with more and more Romanians choosing to spend their spare time in front of the TV, rather than going out on the town and spend money they don't have. At the same time, the crisis led to major advertisers cutting their advertising budgets, whilst for some small players TV became affordable & they began TV advertising.

CME Group, Intact Group, Realitatea-Catavencu, the public station (TVR1) and Dogan Media remained the main players in terms of audience share (CME and Intact Group alone gathered 50% of the total audience share in 2009.)

The news channels showed the fastest growth, with Romanians becoming interested in political debates, talk-shows or interviews with important political players, economic news about the level of unemployment, inflation, foreigner support for our country in time crisis time, and of course the presidential elections. In 2009 TV channels aired more reality shows than in the past, gaining more audience from this type of program. Sports broadcasts continued to lead the top preference of Romanian viewers so new TV stations with a sports profile were launched: DigiSport and DigiSport+.

By the end of 2009 the number of the measured TV channels increased to 52 (from 44 in 2008): TVR1, Pro TV, Antena1, Acasa, TVR2, Realitatea TV, Prima TV, OTV, Kanal D, Cartoon Network/TCM, National TV, Antena3, Taraf TV, TVR 2, JETIX, Minimax/A+, ETNO, Sport.ro, B1TV, Hallmark, Pro Cinema, Favorit TV, Kiss TV, Discovery, Eurosport, National Geographic, N24, AXN, U TV, Euforia, TeleSport, Romantica, Antena2, gspTV, MTV Ro, TVR Cultural, Sport Klub, Sport1, MGM, TV Neptun, Movies 24, Zone Reality, National Geographic Wild, Music Channel, gspTV2, Animal Planet, Zone Reality, Universal Channel, Mynele TV, DigiSport, DigiSport+, Eurosport2, VH1. Starting from the 1st of April 2010 the number of the TV channels reported in SNMATV increased by 3 with TCM, VoxNews, TVR 3.

Reception Types:

<table>
<thead>
<tr>
<th>Establishment Survey</th>
<th>2007</th>
<th>1st Wave 2008</th>
<th>2nd Wave 2008</th>
<th>1st Wave 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analogue Cable (%)</td>
<td>69.7</td>
<td>66.4</td>
<td>66.8</td>
<td>67.5</td>
</tr>
<tr>
<td>Direct To Home (DTH) (%)</td>
<td>15</td>
<td>21.7</td>
<td>22.6</td>
<td>23.2</td>
</tr>
<tr>
<td>Terrestrial (%)</td>
<td>13.5</td>
<td>9.6</td>
<td>8.3</td>
<td>7.6</td>
</tr>
<tr>
<td>Digital Cable With Receiver (%)</td>
<td>4.3</td>
<td>4</td>
<td>3.8</td>
<td>3.6</td>
</tr>
</tbody>
</table>

Source: GfK Romania

In Apr 2009 the Direct-to-Home reception increased by 7% compared to the 1st wave in 2008, now being available in 23.2% of the Romanian homes, whilst the terrestrial reception decreased (-21% vs 2008) and the analogue cable decreased by 2%.
**Market Analysis**

In 2009 TV attracted 65% of all net media sales to a total of 222 million €.

The cost deflation in 2009 meant the CPT decreased from 2.1€ (All urban) to an average of 1.6 € (All urban). MPI (Pro TV, Acasa TV, Pro Cinema, Sport.ro, MTV) had the largest budget share, ca. 53% of total net TV ad-spend. Intact (Antena 1, Antena 2, Antena 3, Euforia, Telesport) followed with a share of about 24%, then SBS (Prima TV, Kiss TV) with 6% and SRTV (TVR1, TVR 2, TVR Cultural) with almost 5.5% of the total TV spend.

The total inventory sold in 2009 by TV stations was 1.460.000 GRP30” (9% less than in 2008), of which 38% were sold by MPI, 22% by Intact, 6.7% by Prima TV, 6.2% by Kanal D, 5% by SRTV.

2009 audience - average rating across all dayparts and for all TV channels has declined by approximately 3% (all urban). As an exception the Top 4 stations increased the audience in off primetime, whilst the niche stations had an audience decline across all timeslots.

The decrease in the number of GRP’s sold led to a reduction in the inventory loading from 68% to 64% in 2009 compared to 2008.

The deflation in CPP caused advertisers to focus again in the direction of the main channels - in 2008, MPI, Intact, SRTV, Prima TV and Kanal D - attracted about 72% of GRP, while in 2009 the same stations gather over 78% of GRP’s sold.

<table>
<thead>
<tr>
<th>Years</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>Jan-Apr 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buying target GRP30” ('000) sold</td>
<td>1500</td>
<td>1600</td>
<td>1700</td>
<td>1600</td>
<td>1463</td>
<td>550</td>
</tr>
<tr>
<td>Share of TV monitored (% all urban)</td>
<td>82%</td>
<td>85%</td>
<td>86%</td>
<td>87%</td>
<td>89%</td>
<td>89%</td>
</tr>
<tr>
<td>TV Loading (%)</td>
<td>57%</td>
<td>66%</td>
<td>72%</td>
<td>68%</td>
<td>64%</td>
<td>70%</td>
</tr>
</tbody>
</table>

**Graph 1: Sold GRP30” ('000) by month (buying target)**

As you can see January 2009 was the lowest for sold GRP’s - in fact it was the point when the economic crisis has aggressively impacted the TV market. TV stations in the following months adjusted their sales policy step by step so it could meet the new needs of the market - an advertising TV market 35% lower than the previous year.
Decrease in the overall market volume in 2009 came from several factors: the price decrease of about 25% applied over an inventory reduction of approximately 10%, all together with a reorientation of the budgets towards the main media groups.

2009 meant a return of the total TV market to similar volumes as in 2006, but in an environment that included twice the number of TV stations.

In 2009 the advertisers moved to shorter TVC lengths, so compared to 2008, 20”-25” spot-lengths were used as much as 30”-35”.

**Graph 2: Spot-length usage (Share % - insertions)**

The average time spent viewing constantly increased starting from 2008. 2009 increased by 5% compared to 2008 (from 5.9 h/day to 6.2 h/day), reaching 6.9 h/day in Q1 2010.

**Graph 3: Time spent viewing / day 2004-2010**

TV Channels’ Profile

In 2009 TV stations delivered similar ratings as in 2008. The total audience decreased over the summer and increased again from Oct 2009, peaking in Jan 2010. In 2009 ProTV was the leader (Rtg 2.9%, Shr 14.8% all urban) as in 2008 but with better performances, followed by Antena 1 (Rtg 2.2%, Shr 11.4%) also...
in 2nd place in 2008 and also with better rating and share values. Realitatea TV (Rtg 1.2%, Shr 6.2%) was not a surprise anymore when it entered into the top 3 TV stations in 2009, as the audience evolution for this channel increased continuously. Acasa TV (Rtg 1%, Shr 5.3%) decreased its performance more than either TVR 1 (Rtg 0.9%, Shr 4.5%) or Prima TV (Rtg 0.8%, Shr 4.4%) did.

Other TV stations with a growing evolution were Antena 3 (Rtg 0.8%, Shr 4.4%) Kanal D (Rtg 0.8%, Shr 4.3%) and National TV (Rtg 0.5%, Shr 2.9%). OTV lost audience in 2009 (Rtg 0.5%, Shr 2.8%).

In 2009 the top 10 TV stations cumulated more than 65% of the total audience share of the urban adult viewing. Niche stations continued to grow audience share: Animal Planet (+158% comparing with 2008),

Source: GfK Romania
gspTV (+131%), Movies 24 (+46%), Sport Klub (+34%), Zone Reality (+33%), National Geographic (+9%) and N.G. Wild (+15%), Antena 2 (+24%).

Pro TV (94.5% national coverage) is by far the viewers’ preferred TV station, keeping the leading position for the 6th consecutive year. In 2009, according to GfK Romania, top program preferences were: Football games “2010 World Championship – preliminary qualification” (19% Rtg all urban), “Dance with me” (9.4% Rtg all urban) and “Pro TV News 19.00” (9.3% Rtg all urban). “Divertis – land of jokes” back again on ProTV after Antena 1 had broadcast it for about 6 years reached 8.8% Rtg all urban. Other high rated programs were football transmissions like “Champions League” (11.5% Rtg all urban) and “Cupa Romaniei” (8.1% Rtg all urban) but also prime time movies. Pro TV delivered a good affinity on its target group “18-49 y.o., urban” thus making the station the primary choice for advertisers.

Antena 1 (94.7% national coverage) also broadcast football matches which ranked in the top preferences of the channel’s viewers: “2010 World Championship – preliminary qualification” (16.9% Rtg all urban), “Europa League” (9.9% Rtg all urban), “Liga I” (9.9% Rtg all urban) and “Supercupa Romaniei” (8.7% Rtg all urban). “Divertis Mall” followed in the top programs with 8.4% Rtg all urban. Other programs with good performances on all urban viewers were still from the entertainment category: “Te pui cu blondele?” (7.7% Rtg), “Ochiul soacrei” (6.9% Rtg), “Sa te prezint parintilor” (6.7% Rtg), “Din Dragoste” (6.6% Rtg). The buying target in 2009 for Antena 1 was “All 18+, urban”.

Graph 6: ProTV – Audience profile TgAfin.%

Graph 7: Antena1 – Audience profile TgAfin.%
Realitatea TV – (90.5% national coverage) kept the leading position for the dedicated News channels and at the same time climbed to 3rd position in the 2009 top ranking TV stations. The programs monitored closely the elections: “Tu decizi” was the highest rated by all urban viewers (3.6 Rtg%). Other top audience programs are: “Ora de foc” (2.4% Rtg), “Zona de impact” (2.3% Rtg), “Realitatea de la ora 22:00” (2.2% Rtg). Realitatea’s buying target in 2009 was “All 18+ urban”.

Acasa TV (90.6% national coverage) ranks 4th in terms of urban audience share. “Regina” (9.6% Rtg all urban) was by far the most watched soap opera, followed (with a much lower audience level) by “Iubire cu chip rebel” (4.3% Rtg all urban) “Aniela” (3.7% Rtg all urban) and “Ingerasii” (2.9% Rtg all urban). “Povestiri de noapte” reached 2.4 Rtg% all urban. The buying target group is “W, 15-49 y.o., urban”.

Graph 8: Realitatea TV – Audience profile TgAfin.%

Source: GfK Romania

Graph 9: Acasa TV – Audience profile TgAfin.%

Source: GfK Romania
TVR 1 (99.7 % national coverage) is the main public channel and in 2009 ranked 5th in terms of urban audience share. “Eurovision 2009” (8.3% Rtg) was the highest rated program. Other programs with significant audience were some broadcast weekly, like “O data in viata” (5.8% Rtg all urban), but especially one off shows like “Irina Loghin la 70 ani” (7% Rtg all urban), “Cu drag…de Dragobete” (5.6% Rtg all urban), “Ziua fotbalului la TVR” (5.5% Rtg all urban) or “Festivalul Ioan Macrea, Sibiu 2008” (4.9% Rtg all urban). The buying target of TVR 1 is “All 18+, urban”.

Prima TV (92.1% national coverage) ranks 6th with “Cronica Carcotasilor” (4.1% Rtg all urban), the top rating program for the past years but also with other local productions like “Schimb de mame” (4.1% Rtg), “Fermier. Caut nevastal!” (3.4% Rtg all urban), “Vedete-n figuri” (3.2% Rtg all urban), “Noaptea ororilor” (3.1% Rtg all urban) and “Trasnitii” (3% Rtg all urban). The buying target is “18-49, all urban”.

Source: GfK Romania

Graph 10: TVR 1 – Audience profile TgAfin.%

Source: GfK Romania

Graph 11: Prima TV – Audience profile TgAfin.%

Source: GfK Romania
Antena 3 (83.8% national coverage) occupied 7th place in the top ten TV stations for 2009, and 2nd after Realitatea TV in terms of speciality news channels. The elections were also the main theme of most channel debates. Top programs: “Dezbatere prezentială” (6.4% Rtg all urban), “Sînteza zilei” (2.7% Rtg all urban), “Punctul de întâlnire” (2.1% Rtg all urban), “În gura presel” (1.8% Rtg all urban) and “Stirea zilei” (1.6% Rtg all urban).

The station’s buying target in 2009 was “All 18+, urban”.

Kanal D (85.4% national coverage) kept the viewers interest mostly with Turkish soap operas and local productions. High rated soap operas: “1001 nopti” (3.7% Rtg all urban), “Înainte de sfarsit” (3.6% Rtg) and “Asi. Impotriva destinului” (3.1% Rtg). A lot of local productions were preferred by viewers: “Fata lui tata” (3.7% Rtg), “Nora pentru mama” (2.9% Rtg), “La sueta cu…Kanal D” (2.2% Rtg), “Foame de bani” (2.1% Rtg) and “Adio, dar te iubescl!” (2% Rtg).

The station’s buying target is “All 18-49 y.o, urban.”
Conclusions and Forecasts

Market predictability is something that is hard to find or perhaps even missing in times of crisis.
Unfortunately in Romania the crisis appeared to hit twice.
The first time was due to the external crisis and took effect in 2009.

2010 at least until now is characterized by a new wave of deflation of about 18% in conjunction with a massive increase in GRPs sold in the market. In the first four months of the year the number of GRP’s sold was 33% higher than during the same period last year.

The continuing decline in the average rating per break, combined with the increase in the number of GRPs sold has led to a faster rate of sold out inventory than last year.

In the first four months of the year the percentage of sold inventory jumped from 64% (average 2009) to over 70%, with long periods (starting February 15 – until end of May) of being 100% sold out in Prime time and large segments of Off Prime time.

A sold out situation has already been announced for the autumn for the major channels, starting from September - which will enable the stations to propose inflation in costs for 2011.
The second impact may come this autumn - if the government’s measures to cut salaries and pensions will reduce the level of consumption – this could cause caution for advertisers, and give uncertainty as to the prospects for 2011.

In a market that continues to decline – for TV channels the only thing that ensures survival is to increase market share. The fight for market share meant this year: dumping prices, maximizing the inventory sold between day parts or seasons, special deals for polarization or even excluding the competition – every method was used as long as it produced a greater percentage of the shrinking pie!

As it is impossible to predict what will be the future of the TV advertising market for the second half of 2010 & ahead into 2011 - I will let you make your own opinion based on some conflicting FACTS and also some declarations from the MPI, Intact and Prima TV Sales Departments:

• Stations are overloaded – the sold out situation could drive inflation in 2011
• The decline in audience leads to a reduction in the available inventory, which could also drive inflation in 2011.
• The government’s austerity measures can negatively affect consumption and this may lead to reductions in budgets for 2011- driving deflation.
• The continued fight for market share between stations – can also cause deflation.

Some “hot” statements from the main players:

Ciprian Stancu – Head of TV Sales Media Pro Group

“In 2009 and 2010 we learned our lesson: the price should be driven by demand and not by the seller. So, 2011 prices will depend exclusively on demand. As the demand improved significantly in the last 3 months, what we foresee for 2011 is a double digit inflation.”
**Vlad Tudosie – Head of TV Sales Intact Media Group**

“We believe that during 2009 and the first quarter of 2010 the Romanian TV market went to a complex process of transition to a new dynamic, adapting itself to the current customers’ demands. The changes aren’t made only at a commercial policy level, but also in other important areas - like marketing or programming.

The current loading status of all channels in the market shows that the price has reached the equilibrium level. The advertisers gradually re-gained their faith and the appetite for TV advertising started to grow and we expect to continue its growth next year.

Our belief in the complete recovery of the market and the positive evolution for the next period is proven by our constant efforts and investment in providing high quality content for our viewers and in developing a cutting-edge communication platform for our clients.”

**Ecaterina Matei – Sales Director Prima TV**

“We think that the prices reached the lowest level in 2010 in Romania. Our estimation for the next year is that the CPP level will increase.”
“Today’s media multiple personality disorder of fragmentation and integration is further driving the critical imperatives for those of us in the Internet business. We can no longer think of ourselves as an Internet company, Internet planner or Internet advertiser. We are buyers, sellers and enablers of media. As the Internet continues to grow in prominence and other media become more interactive, lines will continue to blur.”

Jon Gibs / Vice President, Media Analytics, Nielsen

Facts:

2009 was the first time in history when online advertising revenues surpassed those on TV. First in Denmark (Mar.) and then in UK (Sept.), approx. 60% of the ones in UK being spent on search advertising. Digital budgets account for 23.5% of all advertising budgets in UK.

2009 was an unbalanced year in terms of digital advertising budgets in Romania, following the general media market trend. Perfectly mirroring the economic environment, H1 2009 was with 30% below H1 2008 level. Q4 2009 was the first to exceed levels of 2008, after 3 consecutive quarterly lower budgets, with approx. 5% over Q4 2008. Overall, internet advertising showed the smallest decrease in 2009 compared to other media, with an estimated of only 10%.

Overview

In 2009, the Romanian digital landscape proved it has reached a mature level. The primary indication of this maturity is the share of digital media consumption. More than ever, advertisers turned to digital to increase their ROI and to achieve their communications objectives. Compared to other media, like print and outdoor that were dramatically affected by the crisis, digital was the least affected media.

The main drivers of this growth were the ever increasing internet consumption trends, which recorded impressive growth rates regardless of the economic situation, and the quality of users surfing the web.

In the latest report on the status of the telecommunications market published by ANCOM (The National Association for Communications) in June 2009, in Romania we count a total number of 5.09 million broadband connections nationally, a 59% increase from the previous year. The increase is largely driven through an ever increasing number of mobile connections (mobile internet and smart phones), which now stand at 2.43 million active connections. This represents a staggering growth of 164% since June 2008.

Eurostat, the statistical office of the European Union, reports Internet penetration in Romania to be at 38% of households in 2009, compared to 30% in 2008. The same report states that household broadband penetration reached 24% in 2009, compared to 13% in 2008. These numbers make Romania the fastest growing online market of the 27 EU countries.

Market Analysis

State of the web:

- Akamai reports for Q4 2009, rank Romania no.4 globally in connectivity speed, with a 28% YoY increase of speed. We are surpassed only by the Asian “technology” countries (South Korea, Hong Kong and Japan). The increase is largely attributable to the increasing number of connections with more than 5 Mbps (49% of all connections).
• There were an estimated 418,000 .ro domains in 2009, an estimated 18% increase YoY (as reported by .ro TLD top registrar RNC). The slower growth than in 2008 (when the growth was 36%) is due to the economic situation which delayed a number of online investments.

• About 10% (4,000) of the monitored websites in Romania between Dec. 2009 and Jan. 2010 were either blogs or personal pages (source: www.trafic.ro);

• ANCOM counts a total of 6,77 million internet connections (fixed and mobile) in Jun. 2009, a 29% rise from Dec. 2008. In case we would assume that there is only one internet connection per person or per household, this number translates to one in every three people having an internet connection or is the equivalent of 96% of all households having one internet connection in the home.

• Mobile connections are rapidly growing – a 246% rise, up to 4.12 million connections in Jun. 2009, compared to Jun. 2008. This will trigger a high increase in mobile online usage.

Users statistics:
• More mature users are becoming increasingly active in the online environment, a trend which will continue. The maturing internet population will continue over the next few years, hence our assumption that by end of 2010 the 14-30 age bracket (‘internet natives’) will represent a maximum of 40%-45% of the Romanian internet users. This trend will obviously make the digital environment even more appealing to advertisers than before.

### Table 1: Users profile

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Age group</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14-18 y.o.</td>
<td>13,5</td>
<td>11,6</td>
<td>-14%</td>
</tr>
<tr>
<td>40-49 y.o.</td>
<td>15</td>
<td>17</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Level of education</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 7 grades</td>
<td>0,7</td>
<td>0,5</td>
<td>-29%</td>
</tr>
<tr>
<td>Vocational School</td>
<td>7</td>
<td>8</td>
<td>14%</td>
</tr>
<tr>
<td>University</td>
<td>31,3</td>
<td>32,4</td>
<td>4%</td>
</tr>
<tr>
<td><strong>City size</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;50k inhabitants</td>
<td>24,4</td>
<td>26,1</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Frequency of usage internet</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Several times per week</td>
<td>7,8</td>
<td>9,3</td>
<td>19%</td>
</tr>
<tr>
<td>Several times per month</td>
<td>0,8</td>
<td>1,1</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Listen online Radio</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequently</td>
<td>23,2</td>
<td>25,3</td>
<td>9%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>18,3</td>
<td>19</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Watch TV online</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequently</td>
<td>11,4</td>
<td>12,3</td>
<td>8%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>15,3</td>
<td>15,9</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Buy online products/services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequently</td>
<td>6,8</td>
<td>7,2</td>
<td>6%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>12,5</td>
<td>13,9</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Online banking</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequently</td>
<td>6,1</td>
<td>8</td>
<td>31%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>6,9</td>
<td>8,3</td>
<td>20%</td>
</tr>
</tbody>
</table>

*Source: SATI*

Digital consumption:
• Social networking sites like Facebook or Twitter have recorded impressive global growth rates. For example Facebook.com grew in terms of global reach from 6% in early 2008 to 30% in January 2010, while Twitter.com reaches today 6% of the total internet users compared to practically nothing in early 2009.
In Romania we have observed a similar pattern, where Facebook users jumped from 50,000 in Jan ’09 to 700,000 in Jan ‘10. The growth was moderate until Nov-Dec 2009 when it totally exploded.

In early May 2010 there were more than 1.200.000 active users in Romania on Facebook, as reported by facebakers.com

Leading Romanian video sharing website Trilulilu.ro grew by over 225% in the last year. With such intense evolutions happening across the media we’ve reached the point where “digital” does not refer exclusively to the internet-based services or websites. TV is turning digital with the introduction of HD television and IPTV and PVRs. Radio or other on-demand music services like iTunes, Last-FM or Grooveshark are becoming increasingly popular.

Simultaneous Media Usage became an important topic since Oct ‘03 when a survey conducted by BIGresearch revealed a higher-than-expected level of media multi-tasking. With 70% of media users saying they try to use two or more forms of media simultaneously, the survey’s results have far-reaching implications for technology and content providers, marketers and advertisers.

While there is no research available for Romania regarding these consumption trends, based on similarities observed between Romania and other countries where consumption habits are concerned, we can estimate that the Romanian user is no different, thus he is already watching TV and using the internet at the same time. We can only expect this trend to increase in the next few years.

Online advertising market:

• 2009 was a complex drastic year for such a small market, with players disappearing, new players gaining important market share and important publishers still not stable in terms of commercial policies.

• Intact Interactive, the youngest interactive sales house (launched in Q4 2008) gained impressive market share during the first half of 2009 and abruptly declined in Q3&4 2009 to almost completely disappear in early 2010.

• Netbridge ceased to exist, being replaced by Digital Ads, a new company with a much smaller portfolio of sites. The new network is mainly based on the proprietary sites of Netbridge.
• TradeAds was launched, a bidding platform which allows advertisers to auction on Cost Per Click and Cost Per Thousand impression on a variety of websites, most of them Netbridge proprietary sites.

• ArboInteractive gained important share by starting to represent Imedia, an important publisher previously represented by Boom (Netbridge).

• Apropo Media (formerly MPI) launched first Romanian search engine – okidoki.ro and first online streaming movie-rental platform – mvix.ro

• At the end of 2009, 5 important sellers were holding about 60% of the audience, with ARBO gaining the leading position, followed by Digital Ads, AdEvolution, F5-Xmedia and Apropo Media (classification by SATI and public rate-cards).

• The Internet market continued its fragmentation phase – 20 players, compared to 17 in 2008. Ringier and Inform Media chose internal sales teams in 2010. New individual websites that were leading in their segments, started to market themselves independently.

• Yahoo postponed its plans of launching the Romanian versions of its portal and instant messaging platform. Market sources estimate that by June 2010 we may have the Romanian versions of the some Yahoo properties.

• IAB Romania launched “Trusted Brands on Internet”, a self-regulatory guide for local e-businesses and online advertising.

• SATI released in September data for hi5.com and thus hi5.com became no. 1 website in Romania in terms of monthly unique users (almost double that of the 2nd position – trilulilu.ro).

• International investors have increased their presence through major transactions: eMag.ro (the dominant electronics e-retailer) sold the majority of its shares to Asesoft; InternetCorp (major publisher) sold a part of the business to an international investment fund; autovit.ro was entirely sold to Naspers. The transaction is considered to be one of the biggest in the online market.

• A lot of print media titles were closed and remained with their publications only in an online format. This marked an important switch in consumer attitudes, as research shows that local-newspaper-web sites rank first amongst all sources for trustworthiness, credibility, and access to local content. Consumers also consider local newspaper sites to be their most trusted source for online advertising. Out of the top 20 sites by unique monthly users in SATI at least 5 of them represent online versions of a type of traditional media (newspaper or TV station).

Online advertising budgets

• Online advertising revenue registered an annual decrease of 10%. Despite the decline, we at Initiative registered a significant increase of 25% in terms of our media billings (Initiative estimation).

• IAB & PwC’s ROADS reports a net value of €15.5m for advertising expenditure in 2009. The figure reported by IAB & PWC’s ROADS, does not include 2 important players on the Romanian online market: MediaCafe (Yahoo’s representative in Romania) and Google’s. Starting H2 2009, ROADS includes search spend on Google from 3 top players on the Romanian search market: HyperActive, Kondiment and ArboInteractive. Taking all of the above into consideration Initiative estimates a net value of €18.4m for the total online market in 2009.

• The most frequent types of placements and budgets seen in 2009 were sales oriented budgets, invested in affiliate marketing, paid for listings and search and CPC/CPL campaign types. Sponsorship and video continue to show a positive trend. At the same time, interruptive and embedded formats are slowly losing share.

• As opposed to the balanced activity through 2008, in 2009 there were significant variations between the first & second half of the year. The first half share was 40% (from 47% in 2008) with 60% in the second half. Significant investment was in Oct. – Dec., with December being higher than November in terms of total media spend for the first time in 3 years.
As a conclusion, online advertising was not an exception - 2009 was a difficult year, which affected everyone from advertisers to users and publishers, however online was the least affected and proved itself as a mature medium worth the trust and the increase in budget share.

Graph 2: Net Ad Spend Evolution*

*2009 is the first year when Initiative includes search and Yahoo in net estimations.

Top Categories 2009

- Top 3 advertiser categories haven’t changed from 2008, but the top 2 switched places.
- Finance was intensely affected by the crisis, with the decrease in credit loan advertising meaning Telecom replaced Finance in the No.1 position.
- The 3 leading categories changed place throughout the year, but Telecom clearly dominated, being the leader in 9 out of 12 months.
- If we also include search and MediaCafe sales, Initiative estimates Finance was actually much closer to the leading position for 2009.
- The only two categories which increased net spending compared to 2008 were Telecom and Entertainment & media. Government and politics have an increased presence in the top 10 categories, due to presidential elections in 2008. Travel and retail are newcomers in the top 10, and are expected to continue growing based on the take off in e-commerce and increases in search & affiliate marketing.

Table 2: Top Categories in Online advertising

<table>
<thead>
<tr>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom</td>
<td>Finance</td>
<td>Telecom</td>
<td>Telecom</td>
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<tr>
<td>Finance</td>
<td>Telecom</td>
<td>Finance</td>
<td>Finance</td>
</tr>
<tr>
<td>Auto</td>
<td>Auto</td>
<td>Auto</td>
<td>Auto</td>
</tr>
<tr>
<td>FMCG - Beer, wine, liquers</td>
<td>IT&amp;C</td>
<td>FMCG – Foods</td>
<td>Entertainment &amp; Media</td>
</tr>
<tr>
<td>FMCG - Personal Care</td>
<td>FMCG - Personal Care</td>
<td>FMCG - Personal Care</td>
<td>FMCG - Personal Care</td>
</tr>
<tr>
<td>Electronics</td>
<td>FMCG - Soft Drinks</td>
<td>Property</td>
<td>FMCG - Soft Drinks</td>
</tr>
<tr>
<td>IT&amp;C</td>
<td>FMCG - Beer, wine, liquers</td>
<td>Business &amp; Industrial</td>
<td>Government, politics</td>
</tr>
<tr>
<td>FMCG - Soft Drinks</td>
<td>Electronics</td>
<td>Entertainment &amp; Media</td>
<td>Travel</td>
</tr>
<tr>
<td>FMCG – Foods</td>
<td>FMCG - Foods</td>
<td>FMCG - Soft Drinks</td>
<td>Retail</td>
</tr>
<tr>
<td>FMCG – Drugs</td>
<td>FMCG - Drugs</td>
<td>FMCG – Drugs</td>
<td>Business &amp; Industrial</td>
</tr>
</tbody>
</table>

Source: Initiative estimation
Conclusions and Forecasts

The maturity level shown by the digital market in 2009 is translating in 2010 to a new set of rules being debated by the IAB regarding a set of guidelines for performance of media placements.

Keywords and media trends we will hear quite often in 2010: media convergence, smartphones as a media channel, new mobile technologies such as video and location-based services, advergaming - advertising on gaming platforms, more creativity in online display.

First three months of 2010 showed high increases over the levels of 2009, by an estimate 40%. This pace is expected to somehow level off throughout the year and result in an overall increase of 15% (Initiative estimation).

Vendors are still expected to continue fragmenting leading to more aggressive competition and less clear market shares.

Ringier, RRM and Inform Media are new independent players in the 2010 market and some other large publishers are expected to start representing themselves.

SMI is one vendor that consolidated its position on the market in Q1 2010, by including a few important publishers in its portfolio.

Social media and affiliate marketing are expected to register significant growth this year.

Other vendors, especially search suppliers, will hopefully continue to adhere to IAB & PwC ROADS report, contributing to a more holistic market picture.

Overview

The increasing adoption of technology and mobile data subscription will continue to make new media an increasingly important player in the coming years. However, new media continues to be marginal in terms of advertising spend on digital media in Romania.

The good news for 2009 and Q1 2010 is that mobile marketing is starting to take off in Romania and represents more than just SMS. We already noticed a couple of QR codes and augmented reality campaigns scratching the surface. We expect the novelty and unique features of these formats to be seriously investigated and exploited through the next couple of years.

Market Analysis

Telecommunications

Both fixed and mobile subscribers in Romania conform to the global trend, as can be seen in the next 3 graphs. Fixed telephony has almost no growth in 2009* (1%), while mobile continues to rise, with 23% YoY, compared to an yearly 16% YoY growth in the 27 EU countries.

The evolution of short messages (SMS) in 2009 is quite impressive. H1 2009 registered almost double the traffic (+96%) compared to H1 2008. At the same time MMS are stagnating. We can assume the place of MMS was taken by mobile internet (e-mail) and continued growth in smartphones will continue this.
A mobile penetration rate of 140% puts Romania in 11th position, in the latest set of Business Environment Ratings for Central and Eastern Europe according to Business Monitor International. In April 2010 Cosmote launched the HSPA+ (3.5G) network with a connection speed of 21.6 Mbps, this is seen as a development with a positive implication for the mobile data services sector. Romania has dropped two places as a result of the economic downturn, with Estonia and Bulgaria moving up the ranking.

The number of active users and their split haven’t really varied - 24.4 million in Jun. 2009 (ANCOM). 60.4% of these used pre-pay SIM cards (60.6% in 2008) and 39.6% used monthly subscription services (39.4% in 2008) of which 70.1% are personal subscriptions and 29.9% are company contracts (the same split as in 2008).

The mobile advertising market has registered growth, with a new company arising – Syscom Digital, along with Intertel Communications and Voxline, the traditional major players. Syscom is expected to gain important market share from Intertel.

**Mobile Internet**

The mobile web is already popular in Asia and the United States and is likely to explode here as more and more consumers purchase web-enabled Smartphones and are seeking “always-connected” types of mobile subscriptions, to keep up with their preferred social networking site. For example 30% of worldwide Facebook users have connected to the website using a mobile device in the past month.

It is hard to imagine that Google will be replaced with some other tool as our ‘go-to’ source for looking up information.

New technology has given advertisers the ability to reach consumers in exciting and interactive ways as with augmented reality and QR codes mentioned above and we believe that digital media consumption will continue increasing and developing as time goes by.

In July 2009, SATI started reporting traffic for mobile versions of 5 websites, since March 2010 data is available for 12 websites in news, sport and classified categories. The evolution over the past 6 months shows average monthly growths in the number of visits of 16%. Comparing March 2010 visits to October 2009, the growth rate is of ~50%.

Hotspots have grown to 1000 in Jun. 2009, compared to 950 in Dec. 2008 (5% increase), a slower pace compared to 2008 and we can assume that it is due to the economic situation.
IPTV

In Jun. 2009 there was still only one registered provider for IPTV in Romania according to ANCOM, and a very small number of subscribers, under 1,000. December brought a new supplier in this field, Dolce / Romtelecom.

EU member countries have decided uniformly to complete the transition to digital broadcasting by 2012. Digital broadcasting provides new opportunities for end-users, as more inter-active and user-friendly features will become available. Broadcasters are therefore looking for new opportunities to leverage on the existing subscriber base, to either increase revenues and/or retain loyalty.

Conclusions and Forecasts

Web-to-TV technology, 3-D TV, video on demand, geo-location opportunities, are all new digital developments under the big umbrella of “web now”. These developments will drive the digital media consumption in the coming years, and are already taking off in more advanced countries.

The biggest growth for 2010 in Romania is expected from the mobile segment, and less from other technologies like virtual reality or ingame advertising. In 2009 we estimate less than 10% of the new media budgets to have been put in other channels than online and it will most probably remain the same in 2010.
Overview

The radio market in 2009 was one of ambiguous messages. On the one hand, the economic situation led to many stations struggling to survive e.g. Guerilla shut down two local stations, while Itsy Bitsy and National FM withdrew from the radio audience measurement survey. At the same time, some private networks evolved into national networks (Itsy Bitsy), ArboMedia created a dedicated division for local radio station sales (ArboRadio) and Radio Romania began to take its archives into digital. The stations also tried to improve their convergence with the internet, improving their online presence through dedicated websites and social network sites like facebook, twitter, netlog, etc.

In 2009 and the first quarter of 2010 there were over 600 radio licenses issued, a decline versus 2008 when there were more than 700. According to CNA, the top 10 owners of radio licenses in 2009 (up to April 14th of 2010) are:

• SC SBS BROADCASTING MEDIA SRL with Kiss Fm and Magic Fm - 86 licenses
• SC RADIO XXI SRL with Radio 21 and Vibe Fm - 53 licenses
• SC DINAMIC AUDIO-SERV SRL with Radio Vocea Speranţei - 41 licenses
• PATRIARHIA ROMANA with Radio Trinitas - 36 licenses
• SC REALITATEA MEDIA SA with Radio Realitatea Fm, Radio Guerrilla, Radio Alpha - 36 licenses
• SC PRO TV SA with Radio Info Pro and Radio Pro Fm - 34 licenses
• SC GRUPUL MEDIA CAMINA (G.M.C.) SA with Radio Romantic Fm and Radio ZU - 33 licenses
• SOCIETATEA ROMANA DE RADIODIFUZIUNE with Radio Romania (International, Regional), Antena Satelor, Radio 3 Net - 21 licenses
• SC MINISAT TELECOM with Radio Minisat - 19 licenses
• SC ON AIR STUDIO SRL with Radio Itsy Bitsy - 15 licenses
• SC RADIO TRANSILVANIA LBM SRL with Radio Transilvania - 15 licenses

The Romanian radio market is structured based on the following formats:

• Contemporary Hit Music Radio (targeting younger audiences): Radio ZU, Kiss FM (labels itself as Adult Contemporary Hit Radio), Radio 21, Pro FM (the only station that developed niche online radio in different music formats: Jazz, Latino, Rock, Classic etc.,). It also has dedicated brand extensions which broadcast in closed environments like school (Pro FM School), universities (Pro FM Campus) and malls (Pro FM Mall).
• Adult Contemporary Radio: Europa FM, Info Pro, Radio Romania network (RR Actualităţi, Antena Satelor, RR Regional, all targeting a broader target audience.
• Soft Adult Contemporary Radio: Magic FM, Romantic FM (labels itself as ‘Easy Listening European Orientated’), Gold FM (labeled as ‘Oldies’), Smart FM (labeled ‘Adult Contemporary Gold’);
• Dance Radio, or Contemporary Hit Radio Dance (which target mostly the youngsters): Vibe FM, One FM, Pro FM Dance;
• Hot Adult Contemporary: Guerilla FM, City FM (rock music-oriented);
• News & Talk: Realitatea FM;
• Sports (targeting especially men): Sport Total FM
The radio is a very mobile and personal media channel from the point of view of media consumption, and that’s why it has to be creative enough and unique to maintain the loyalty of its audience. The relationship between radio and consumer is constant, powerful, and available 24 hours per day, thus making it compatible with the online environment. Radio stations have strengthened their links to the online social networks platforms, once they discovered that these online social networks are becoming more and more effective in attracting and delivering new listeners. This creates a strong connection between radio websites and social network platforms, all the radio stations actively support their dedicated websites and pages, making them the primary sources of information and entertainment for their listeners.

Complementary to consolidating their virtual presence, the radio stations also tried to be successful in the ‘real world’ by permanently launching new formats, dynamic programs and PR activities. The most active radios were those belonging to the large radio groups, trying to achieve audiences through an intense marketing activity, translated into unique promotions, daring and unconventional programs and entertaining events like Radio ZU ‘What would you do for EUR 10,000?’, ‘Kiss Cash’, Magic FM ‘easy money contest’, ‘I listen to Radio 21’, Pro FM ‘Sara’s summer’, Europa FM ‘secret sound’, Info Pro ‘Romania expres’, Vibe FM ‘Liberty parade’, One FM ‘Sun wave festival’, Pro FM Dance ‘The Mission’ and so on.

The developments on the Romanian radio market follow the same trend as for the wider economy, but there are some positives too. At the beginning of 2009 the major radio groups, recognizing the difficult economic situation took the initiative to present discounted offers in order to stimulate the advertising expenditure. This trend is continuing in 2010, too:

- Starting from June 2009, due to a high number of client requests, Regie Radio Music regionalized the Europa FM stations, meaning that advertisers could implement their network in major regions of Romania.
- Following the result of the latest audience measurement data, Radio ZU increased the Prime Time rates for 6 local stations in its network (Brașov, Brăila, Constanța, Timișoara, Slobozia, Sibiu).
- In November 2009 ARBOMedia launched ARBORadio as the Virtual National Network for 37 local and independent radio stations across 20 counties. The major partnerships are with Minisat Network (18 stations) and Impact (9 stations).
- The latest audience data also led to Regie Radio Music decreasing the rates for Radio 21 Bucharest and the network from January 2010, while the Magic FM and ZU networks increased their rate cards.
- From January 2010, Radio Guerrilla, Gold FM and Realitatea FM established the Realitatea Media Together Company.

Kiss FM, Europa FM, Radio 21 and Radio ZU remain the four leading radio stations, just as in 2009.

The total monitored radio ratecard ad spend decreased by 18.8% vs. 2008, reaching 68 million € (without barters). The first three radio sales houses for 2009 were MGSI (35% revenue share), Regie Radio Music (33%) and CLIR Media (17%). The ranking remains little changed in the 1st quarter of 2010, the only difference being an increase for CLIR Media (25%) and a drop for RRM (27%).

The stations with the largest revenue share in 2009 were Kiss FM (32%), followed by Europa FM (19%), Radio 21 (14%) and Radio ZU (14%). The top 3 ranking is the same as in 2008, with the newcomer Radio ZU, climbing straight to 4th place.

Graph 1: Radio ad-spend evolution 2008-2009

Source: AlfaCont (‘000 €)
The top spending category for 2009 changed from 2008, with ‘Stores, commercial centers and supermarkets’ (with a 41% increase) replacing ‘Cars & 4x4 automotives.’

Overall radio ad spend decreased by 18.8% (excluding barters) in 2009, of the top 10 categories, the most significant decreases were in the following categories: auto dealers & producers (-58%), cars & 4x4 vehicles (-52%), banking & insurance services (-48%), building & construction products & materials (-46%) and domestic appliances, electrical & electronics (-42%). Other important decreases were registered by the mobile telecom category (-15%). New entries in the Top 10 most advertised categories on radio in 2009 were ‘internet services’ and ‘fuel / oil / lubricants’.

Although the rate card expenditure for the first quarter of 2010 is higher by 13.7% compared to 2009, ad revenues are still at a lower level when compared with the same period in 2008 by 13.6%.

**Market Analysis**

The system of measurement changed in 2008 when the joint industry committee ARA (The Association for Radio Audience) decided to conduct the audience survey in three waves (first in June 2008, second in October 2008 and last in February 2009, the latter containing the nationwide, rural and urban audience). The difficult times made Itsy Bitsy and National FM radio stations withdraw from the audience measurement system (BBC radio withdrew following its decision to dismantle the Romanian edition). Radio listenership is on a decreasing trend, this trend being more distinct in the Bucharest area – a decrease in total radio audience by 7.6%, from a daily reach of 61.5% to 56.8%. Still, the average time spent listening to the radio has increased on all measured areas, most notably in rural and urban Romania, with 4% (from 4.05 hours per day to 4.23).

For the Bucharest radio market, there is a strong battle between generalist stations and niche stations. In 2009, many radio stations lost market share versus 2008: Info Pro (-70%), Radio Romania Regional (-67%), Radio 21 (-52%), Smart FM (-50%), Radio Romania Cultural (-45%), City FM (-25%), Guerilla (-24%), Romantic FM and One FM (-23%), Radio Actualitati (-10%), Pro FM (-9%). But there were registered increases in market share for Vibe FM (+44%), Magic FM (+31%), Antena Satelor (+15%) and Europa FM (+7%). In Bucharest the market leader became Radio Romania Actualitati, followed by Radio ZU. It looks like the former leader Radio 21 lost market share mostly to Radio ZU.

**Graph 2: Radio station % Market Share - Bucharest area**

In 2009, in Urban areas, Radio Actualitati was the leader in terms of market share, followed by Europa FM and Kiss FM. The newcomer Radio ZU made its way into the top rankings, occupying fourth place from its first audience measurement.

The market share in 2009 was eroded vs. 2008 for Radio 21 (-44%), Pro FM (-20%), Antena Satelor (-17%), Europa FM and Radio Romania Regional (-6%), while Magic FM increased its respective share by extending local coverage.
Since 2008 SAR provides only urban audience data for the full year, so we can make assumption of the rural and urban areas based only on January-April data. The most recent nationwide audience data shows that Radio Romania Actualități consolidated its leadership in nationwide, having in April 2009 a comfortable 17.2% market share.

The Weekday audience listenership shows two time intervals of intense listenership: 08.00-10.00 AM and 17.00-19.00 PM. In a regular working day, the urban listeners prefer to listen to the radio mostly at home until 10.00 AM, after which they listen at work until 4.00 PM, then the radio listenership moved back to the home. Radio listening in the car registers an audience peak around 07.45 AM, when many listeners are going to work, and then between 16.00-18.00 PM, when they return from work.
In 2009, Radio ZU is the leader in Bucharest (with 253,000 listeners / day, in terms of daily reach) while Kiss FM is the leading radio station in urban areas (with 1,345,000 listeners per day).

![Graph 6: Radio reception](image)

Source: SAR / ARA, 2004 to 2009, target 11+

In 2009, Radio ZU is the leader in Bucharest (with 253,000 listeners / day, in terms of daily reach) while Kiss FM is the leading radio station in urban areas (with 1,345,000 listeners per day).
Conclusions and Forecasts

Radio will remain a relatively inexpensive media, used as a secondary media for many advertisers.

In the first quarter of 2010 the leading stations were sold out in Prime Time or all day, for the first time in a very long while. This demonstrates the impact of the cost efficiency strategies, and advertisers will continue to improve the price and quality balance, so more Prime Time sold-out periods are expected in the future.

The most important battle for audience stays in Prime Time, where all stations are trying to consolidate their market share.

Radio stations will continue to make efforts to extend their local coverage and to appeal to new audiences by developing creative marketing activities (entertaining events, promotional offers, live on the spot transmissions, interesting and unconventional guests, funny contests, etc.). Most of the successful promotions and contests in 2009 will continue in 2010.

The radio networks will carry on the internalization of their online presence and will continue to offer interesting and efficient integrated radio & online packages.

Online support will bring more and more added value to radio, maximizing the interactivity and connectivity – the well-established strengths of radio. The involvement of radio stations in the digital world will be more and more powerful, especially the presence in the online social networks platforms, e.g. Facebook or Twitter, empowering them into useful tools for attracting and sustaining a new and active audience. The connection between radio websites and social network platforms will be strengthened; all the radio stations will improve their dedicated websites and pages, offering them as the main sources of information, music and entertainment for listeners. Online media will continue to be complementary for radio stations.
Overview

The Romanian press has confronted 2009 with wage reductions, layoffs, closure of publications or keeping only online editions, law suits between publishers concerning the rights for publication of books (offered as added value together with the regular edition of newspapers), disagreement with the RODIPET distribution and the big publishing houses abandoning the local press. The worldwide crisis affected the print medium, increasing the speed of change, weakening sales and decreasing audiences for print titles.

The year 2009 began with a series of management changes in the marketing and editorial boards of publications, but also with a series of crisis measures implemented by the media trusts: Realitatea-Catavencu closed and sold some of their titles and moved the ‘Cotidianul’ newspaper online, Ringier closed the free newspaper “Compact” and also simplified its internal structure (merging the newspaper divisions), Burda Romania changed its management, Business Media Group took its business magazines exclusively online for a short period, Igloo Media closed Re:publik magazine, etc.

Budget limitations meant advertisers decreased their media expenditures and reallocated spends to other media types. The traffic figures for the top 10 print publications with online versions shows an increase in the average number of page impressions and visits per month in the first quarter of 2010, compared to the average per month in 2009, meaning that the increased readership online may be viewed as complementary or even a replacement to the printed versions.

But with time, online media became also a way out. The publishers had a slow start in turning the internet to their advantage. At first, some publishers decided to save money by moving brands from print to exclusively online editions (e.g. Cotidianul newspaper). The print publications were considered the starting point for online products and brand extensions, requiring initial low investments but having good longer term potential. Making the online environment a teasing tool for print content is a difficult task, especially when it is combined with the unpredictable behavior of the consumer. In the meantime, new behavioral online targeting approaches have developed and are available in Romania (e.g. BEHAVIA department of ArboMedia sales agency), print publishers now have methods to reach their potential consumers, finding more ways to combine successfully the online with the print environment. Despite this some publishers chose to introduce new formats to printed media, as an example, through the BBC’s Top Gear magazine.

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For people around the world, who need to and want to consume information, whether it be in developing countries or emerging countries, newsprint is still going to be a main mechanism for information for years to come.

Joshua Karp / Founder of The Printed Blog

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<table>
<thead>
<tr>
<th>Website</th>
<th>Corresponding Publication</th>
<th>Genre</th>
<th>2009 Monthly Averages</th>
<th>Q1 2010 Monthly Averages</th>
<th>Evolution</th>
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Source: SATI
the Intact Group presented for the first time in Romania the Augmented Reality technology, which consists in a barcode-webcam link to the online content, considered a virtual bonus for the regular reader.

Publishers also explored other strategies to cope with the economic situation, some increased the levels of discounts on offer, others changed the frequency of publication to cut production and editorial costs (e.g. Harper’s Bazaar of Sanoma Hearst, moving from once per quarter to monthly and back again, or Ringier’s Diva glossy magazine becoming bi-monthly and not monthly). Other solutions explored included making more special creative advertising projects (even totally branding one whole issue by an advertiser), merging two publications into a single one, creating more oriented content to offer practical solutions and advice to readers (even dedicated supplements), and so on.

Despite the risks, some local publishers launched new titles, the most notable being the Romanian edition of Forbes magazine in 2009 and the OK VIP magazine at the beginning of 2010 (both published by Adevarul). However in 2009 the number of publications closed outweighed the new launches, and a number of titles withdrew from the BRAT’s National Readership Survey due to the costs involved.

As with the rest of the media market, the situation for printed media remained a test of durability, efficiency and feasibility. Some titles have transformed and evolved, whereas others have disappeared altogether. At the end of 2009, 24 media companies joined together to form the Romanian Employers Press (PPR), the media employers’ organization, to promote the common interests regarding a proper legislation, ethical code, development and collaboration with the similar organizations from abroad.

PPR founding members are: Adevărul SA, Agenda SRL Timişoara, Click News SRL, Curierul Naţional SA, Deşteptarea SA Bacău, Editura Historia SRL, Erc Press SRL, European Media Invest SRL, Grupul de Presă Medianet SA, Intermedia Concept SRL, Inform Media SRL, Maxim Publisher SRL, Media Promovalores SRL, Media Sud Management SA, Mediafax SA, Media Sud Europa SA, Media Grup Production SRL Buzău, Monitorul Expres SA, PubliOne Media SRL, PRO TV SA , Sport Channel SRL, Satiricon SRL, Trustul de Presă Dunărea de Jos SA and Zaga Brand SRL. Following the creation of PPR the number of members is presently increasing by new publishers joining in.

**Market Analysis**

Clients preferred to consolidate their expenditure in established titles owned by big publishers with a nationwide distribution, which resulted in market share increases for those publishers with a large and consolidated portfolio. The print advertising market accounts for a gross rate card value of over 322 million EUR, of which 41% is through media barters. Media barters share from print ad spends increased by 10% compared to 2008, while rate card expenditures decreased by 35% (due to the crisis).

The ratio between magazines & newspapers was 47% for magazines to 53% for newspapers, a small increase for magazines compared to 2008.

The largest share of ratecard revenue in 2009 was split between by five publishers with very large and diverse portfolios. Some of them (Publimedia and Catavencu) are Romanian publishers who also own other media companies (TV, radio, internet). Ringier, an international publisher with a vast print and online portfolio and indirect connections to TV (due to owning 25% of the shares of Dogan Media Romania / Kanal D) fell from being 1st in 2007 to 3rd in 2008, and now being ranked 4th in 2009.
In the 1st quarter of 2010 the situation changed slightly, with the top publishers being two well-established Romanian publishers who possess both print and online operations, as well as in radio and TV. Also, Catavencu dropped down, being replaced in the top 5 by Adevarul Holdings which doubled its share of revenue. The media groups which have magazines were less affected by the crisis increased their share of rate card revenue (e.g. Sanoma, Edipresse).

Adevarul Holding had the most spectacular development in 2009.

In 2009 Adevarul and Click became the daily newspapers with the highest circulation, due to aggressive campaigns, sustained by promotions giving added value such as books, DVDs and contests.

During the year of cost-cutting and closing of publications, they continued to launch and buy new titles:

- brand extensions launches:
  - newspaper Click - Click Sănătate, Click Poftă Bună;
  - Forbes magazine - Modă şi Imagine, Traveler, Bancar, Pensii;
- launched local editions of Adevarul de Seară, reaching a total circulation of 520.000
- Acquisition of Historia magazine
- launched OK magazine (Feb. 2010)

Catavencu – despite having a share of 7.7% in 2009, by the end of the year it had nearly disappeared, keeping only Academia Catavencu and Money Express.

- Cotidianul and Business Standard newspapers had final editions in December 2009
- 24 Fun was taken by Network of Guides 24 Fun (Mediamov)
- Tabu was bought by DBV Media House
- Superbebe was bought by Superbebe SRL (which launched in Feb. 2010 the monthly publication Bucate pentru copii)
- Bucataria pentru toti was taken by its publisher
- Aventuri la Pescuit was bought by Picnic Media. The former team of Aventuri la Pescuit has launched a new magazine, called Super Pescar.

Part of the editorial team left Academia Catavencu and launched a weekly competitive magazine called the New Catavencu – Kamikaze, in March 2010.
MPG:
- relaunched Target Magazine under the name DA Premium, distributed monthly within Ziarul Financiar newspaper
- changed Time Out magazine’s frequency, from weekly to monthly
- transformed Descoperă and all its six local publications into exclusively online publications

Ringier:
- Diva glossy, launched as a weekly, transformed during 2009 in fortnightly, then monthly, before finally closing in March 2010
- cancelled the free newspaper Compact in February 2009
- In January 2010, Evenimentul Zilei has changed format (the same as Libertatea and Capital) and cancelled its TV guide (although, the content remained present in newspaper pages)
- In March 2010, EVZ and Capital, together with their websites were taken by Publishing of Evenimentul and Capital, but advertising sales were kept by Ringier.

Romania Libera:
- In 2009 cancelled its Saturday edition, but signed a three year partnership with U.S. newspaper The New York Times International for the Romanian distribution of International Weekly and Book Review supplements distribution (both within the daily edition of Romania Libera newspaper)
- The notable thing for 2010: the rebranding of the newspaper, a major change of content and design (including its online presence)

Burda:
- merged ‘Perfect pentru casa mea’ and ‘Locuinţa Mea’ into ‘Ioana Locuinţa Mea acum alături de Perfect pentru Casa Mea’, since January 2009
- Quattroruote magazine was closed in January 2009
- Cool Girl and Autoshow were bought by Pressworks, towards the end of 2009. Pressworks also has in its portfolio the paparazzo / gossip magazines Şoc and Zău.
- Men’s Health was bought by Attica Media. The first edition after acquisition was released in March 2010

BMG:
- For a short period of time (January – February 2009) the magazines of BMG were available online, exclusively
- Business Week had its last issue in March 2009
- Biz was bought by its publisher. The advertising of Biz is sold by DBV Media House
- Business Review was sold to Block Notes Media, edited by the same team.

Other launches/closures in 2009 and Q1 2010:
- Agora Media – launched IT Trends (fortnightly) at the beginning of 2009
- Promo Media Press SRL launched the free weekly Promo in Bucharest at the beginning of 2009 and cancelled it after only four months
- Attica Media cancelled Maxim magazine in December 2009
- Publimedia International has announced that it will keep local brands published by the company exclusively online
- RECP (Reference Consumer and Customer Publishing) launched the men’s magazine at the end of 2008, and then cancelled it after one year
- Sanoma Hearst changed the frequency of Story to fortnightly, launched in 2010 brand extensions Bazaar Collections (biannual, since Feb 2010) and Miresici (biannual, since April 2010)
- Zile si Nopţi launched the Bucharest edition in November 2009
• Inform Media cancelled in the first half of 2009 the local publications Hunedoara Expres and Cluj Expres
• European Media Investment (EMI), created to cover Arbomedia’s local business, purchased 8 local newspapers during 2006-2007 period. In 2009, EMI sold back to the former shareholders 5 of them (Obiectiv de Vaslui, Monitorul de Cluj, Monitorul de Alba, Monitorul de Sibiu, Monitorul de Mediaş), closed Ziarul de Brăila and kept in its portfolio only Ziarul de Iaşi and Viaţa Liberă Galați
• Closure of the national newspapers Gardianul and Ziua in January 2010.
• Launched in Q1 2010: newspaper Puterea and Scientific American Mind-Psihologia, Romanian edition of Scientific American Mind

The top 10 advertised categories in terms of gross rate card expenditures in 2009 account for almost 56% of the total print expenditure (media barters excluded), with the first 5 of them being either categories challenged by the deteriorating economic situation (Banking & Insurance Products and Services, Automotive, Building & Construction materials) or segments in need of permanent and sustained advertising presence (Retail stores, Commercial Centers, Supermarkets and Mobile Telecommunications). Also, as 2009 was an election year, the ad spends for political parties have increased significantly (the most part of the Government / Municipalities / Foundations / Associations category ad spends).

<table>
<thead>
<tr>
<th>Category</th>
<th>Magazines</th>
<th>Newspapers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking &amp; Insurance Services</td>
<td>4,144,980</td>
<td>10,617,694</td>
<td>14,762,674</td>
</tr>
<tr>
<td>Stores, Comercial Centres, Supermarkets</td>
<td>6,501,325</td>
<td>6,746,739</td>
<td>13,248,063</td>
</tr>
<tr>
<td>Medical &amp; Optical Products &amp; Services</td>
<td>7,511,497</td>
<td>5,731,000</td>
<td>13,242,497</td>
</tr>
<tr>
<td>Government / Municipalities / Political Parties</td>
<td>386,814</td>
<td>11,882,242</td>
<td>12,269,056</td>
</tr>
<tr>
<td>Cars &amp; 4X4 Vehicles</td>
<td>4,038,843</td>
<td>7,281,943</td>
<td>11,320,786</td>
</tr>
<tr>
<td>Mobile Telecommunications Services</td>
<td>3,527,339</td>
<td>7,613,562</td>
<td>11,140,901</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>10,779,193</td>
<td>271,783</td>
<td>11,050,976</td>
</tr>
<tr>
<td>Building &amp; Constructions Products &amp; Materials</td>
<td>3,294,231</td>
<td>5,072,742</td>
<td>8,366,973</td>
</tr>
<tr>
<td>Clothing &amp; Accessories</td>
<td>5,274,009</td>
<td>1,097,010</td>
<td>6,371,018</td>
</tr>
<tr>
<td>Domestic Appliances, Electricals &amp; Electronics</td>
<td>2,733,205</td>
<td>1,492,604</td>
<td>4,225,809</td>
</tr>
</tbody>
</table>

Source: Alfacont MediaWatch

Regarding media barters, the total gross rate card value is slightly over 133 million EUR, a 2% increase over 2008. Out all media barters, 24% are exchanged with other printed media, almost the same as in 2008.

<table>
<thead>
<tr>
<th>Category</th>
<th>Magazines</th>
<th>Newspapers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspapers &amp; Magazines</td>
<td>12,722,550</td>
<td>18,687,047</td>
<td>31,409,598</td>
</tr>
<tr>
<td>Culture &amp; Education</td>
<td>14,415,134</td>
<td>13,214,428</td>
<td>27,629,563</td>
</tr>
<tr>
<td>Tv Stations</td>
<td>3,591,049</td>
<td>11,803,956</td>
<td>15,395,004</td>
</tr>
<tr>
<td>Radio Stations</td>
<td>4,387,379</td>
<td>9,225,543</td>
<td>13,612,922</td>
</tr>
<tr>
<td>Restaurants, Coffee Shops</td>
<td>7,294,363</td>
<td>1,165,751</td>
<td>8,460,114</td>
</tr>
<tr>
<td>Entertainment Services</td>
<td>7,144,582</td>
<td>689,663</td>
<td>7,834,245</td>
</tr>
<tr>
<td>Other Business Services</td>
<td>2,538,262</td>
<td>2,268,889</td>
<td>4,807,152</td>
</tr>
<tr>
<td>Hotels</td>
<td>2,356,096</td>
<td>1,709,277</td>
<td>4,065,373</td>
</tr>
<tr>
<td>Internet Services</td>
<td>1,973,958</td>
<td>1,713,481</td>
<td>3,687,438</td>
</tr>
<tr>
<td>Beauty Salons</td>
<td>2,391,150</td>
<td>970,201</td>
<td>3,361,351</td>
</tr>
<tr>
<td>Campaigns</td>
<td>1,234,764</td>
<td>2,030,101</td>
<td>3,264,865</td>
</tr>
<tr>
<td>Other Advertising And Promotional Services</td>
<td>1,693,164</td>
<td>1,314,991</td>
<td>3,008,155</td>
</tr>
<tr>
<td>Transportation &amp; Travel Services</td>
<td>1,117,849</td>
<td>1,513,348</td>
<td>2,631,198</td>
</tr>
<tr>
<td>Multimedia</td>
<td>1,526,165</td>
<td>491,072</td>
<td>2,017,237</td>
</tr>
<tr>
<td>Foundations / Asociations</td>
<td>423,845</td>
<td>1,130,817</td>
<td>1,554,662</td>
</tr>
<tr>
<td>Security Services</td>
<td>79,351</td>
<td>335,559</td>
<td>414,909</td>
</tr>
<tr>
<td>Photo</td>
<td>49,690</td>
<td>67,128</td>
<td>116,818</td>
</tr>
<tr>
<td>Grand Total</td>
<td>64,939,353</td>
<td>68,331,252</td>
<td>133,270,605</td>
</tr>
</tbody>
</table>

Source: Alfacont MediaWatch
The top 20 publications with the highest rate card advertising revenue in 2009 (media barters excluded) are mostly newspaper titles (sports, quality, tabloids and local), financial publications, female magazines and free city guides. There are also two internationally established brands present, as well as three local publications from Vrancea and Galați area. Together, the top 20 publications account for 36% of the entire print gross rate card ad revenue.

<table>
<thead>
<tr>
<th>Title</th>
<th>2009</th>
<th>2010</th>
<th>Evolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gazeta Sporturilor</td>
<td>8,429,474</td>
<td>1,477,952</td>
<td>10%</td>
</tr>
<tr>
<td>Ziarul Financiar</td>
<td>6,325,184</td>
<td>1,121,883</td>
<td>4%</td>
</tr>
<tr>
<td>24 FUN</td>
<td>4,825,150</td>
<td>1,012,800</td>
<td>-18%</td>
</tr>
<tr>
<td>Jurnalul National</td>
<td>4,424,306</td>
<td>784,059</td>
<td>-19%</td>
</tr>
<tr>
<td>Libertatea</td>
<td>4,348,959</td>
<td>784,059</td>
<td>-19%</td>
</tr>
<tr>
<td>ProSport</td>
<td>4,072,248</td>
<td>511,785</td>
<td>57%</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>3,742,932</td>
<td>667,245</td>
<td>12%</td>
</tr>
<tr>
<td>Ziarul de Vrancea</td>
<td>2,993,440</td>
<td>823,094</td>
<td>-38%</td>
</tr>
<tr>
<td>ProTv Magazin</td>
<td>2,814,675</td>
<td>347,230</td>
<td>20%</td>
</tr>
<tr>
<td>CanCan</td>
<td>2,685,380</td>
<td>433,200</td>
<td>5%</td>
</tr>
<tr>
<td>Sapte Seri</td>
<td>2,574,666</td>
<td>441,681</td>
<td>-20%</td>
</tr>
<tr>
<td>Monitorul de Vrancea</td>
<td>2,534,560</td>
<td>520,441</td>
<td>-20%</td>
</tr>
<tr>
<td>Evenimentul Zilei</td>
<td>2,346,546</td>
<td>404,083</td>
<td>1%</td>
</tr>
<tr>
<td>Romania Libera</td>
<td>2,191,494</td>
<td>203,650</td>
<td>92%</td>
</tr>
<tr>
<td>The One</td>
<td>2,179,357</td>
<td>354,895</td>
<td>-1%</td>
</tr>
<tr>
<td>Elle</td>
<td>2,145,162</td>
<td>404,083</td>
<td>1%</td>
</tr>
<tr>
<td>Adevarul</td>
<td>2,126,706</td>
<td>2,759</td>
<td>3.3</td>
</tr>
<tr>
<td>Click</td>
<td>2,043,538</td>
<td>4,000</td>
<td>4.1</td>
</tr>
<tr>
<td>Femeia</td>
<td>2,008,351</td>
<td>726</td>
<td>5.2</td>
</tr>
</tbody>
</table>

The first quarter of 2010 figures, shows that the Top 20 publications remained largely the same, but comparison with the same period of 2009 reveals ratecard decreases of up to 38%. However, if we consider that rate cards in 2010 remained at the same level as 2009 (and some of them even lower – Publimedia and Liberis), and that the discount levels increased, the overall decrease in actual advertising revenue could be much lower.

The January 2009 – January 2010 National Readership Survey data, together with the audited circulation figures shows that reading behavior remained at a similar level, even though the print titles haven’t registered higher levels of sales. A single copy of a publication continues to be read by a larger number of people, but circulation figures are decreasing, meaning that there is still a high level of readership. The general top 10 print titles show the supremacy of tabloids, with men having a higher affinity towards automotive magazines, while women prefer more the lifestyle magazines.

**URBAN 14-64 - Top Press**

<table>
<thead>
<tr>
<th>Publication</th>
<th>Publisher</th>
<th>Readership</th>
<th>Net Coverage (%)</th>
<th>Audited Circulation (’000)</th>
<th>Readers / Copy (’000)</th>
<th>Rate Card (EUR)</th>
<th>CPT (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Libertatea</td>
<td>Ringier</td>
<td>1,350</td>
<td>15.1</td>
<td>225</td>
<td>6.0</td>
<td>7,150</td>
<td>5.3</td>
</tr>
<tr>
<td>Click</td>
<td>Adevarul Holding</td>
<td>1,177</td>
<td>13.2</td>
<td>147</td>
<td>8.0</td>
<td>5,843</td>
<td>5.0</td>
</tr>
<tr>
<td>Practic In Bucatarie</td>
<td>Burda</td>
<td>969</td>
<td>10.9</td>
<td>259</td>
<td>3.7</td>
<td>4,000</td>
<td>4.1</td>
</tr>
<tr>
<td>Cancan</td>
<td>B2B Media</td>
<td>946</td>
<td>10.6</td>
<td>108</td>
<td>8.7</td>
<td>4,950</td>
<td>5.2</td>
</tr>
<tr>
<td>Libertatea - Supliment Weekend</td>
<td>Ringier</td>
<td>880</td>
<td>9.9</td>
<td>336</td>
<td>2.6</td>
<td>4,988</td>
<td>5.7</td>
</tr>
<tr>
<td>Click Ghid Tv</td>
<td>Adevarul Holding</td>
<td>845</td>
<td>9.5</td>
<td>226</td>
<td>3.7</td>
<td>4,276</td>
<td>5.1</td>
</tr>
<tr>
<td>Libertatea - Editia De Duminica</td>
<td>Ringier</td>
<td>842</td>
<td>9.4</td>
<td>137</td>
<td>6.2</td>
<td>4,656</td>
<td>5.5</td>
</tr>
<tr>
<td>Click De Duminica</td>
<td>Adevarul Holding</td>
<td>835</td>
<td>9.4</td>
<td>79</td>
<td>10.5</td>
<td>2,769</td>
<td>3.3</td>
</tr>
<tr>
<td>Pro Tv Magazin</td>
<td>Publimedia Intl.</td>
<td>742</td>
<td>8.3</td>
<td>91</td>
<td>8.1</td>
<td>4,500</td>
<td>6.1</td>
</tr>
<tr>
<td>Gazeta Sporturilor</td>
<td>Intact Group</td>
<td>740</td>
<td>8.3</td>
<td>86</td>
<td>8.6</td>
<td>8,700</td>
<td>11.8</td>
</tr>
</tbody>
</table>

## URBAN MEN 14-64 - Top Magazines

<table>
<thead>
<tr>
<th>Publication</th>
<th>Publisher</th>
<th>Readership (‘000)</th>
<th>Net Coverage (%)</th>
<th>Audited Circulation (‘000)</th>
<th>Readers / Copy (‘000)</th>
<th>Rate Card (EUR)</th>
<th>CPT (EUR)</th>
<th>Selectivity Affinity Index</th>
<th>Selectivity Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro Tv Magazin</td>
<td>Publimedia Intl.</td>
<td>365</td>
<td>8.4</td>
<td>91</td>
<td>8.1</td>
<td>4,500</td>
<td>12.3</td>
<td>101</td>
<td>49</td>
</tr>
<tr>
<td>Rebus (Flacara)</td>
<td>Editura Flacara</td>
<td>323</td>
<td>7.5</td>
<td>37</td>
<td>18.2</td>
<td>2,500</td>
<td>7.7</td>
<td>99</td>
<td>48</td>
</tr>
<tr>
<td>Promotor</td>
<td>Publimedia Intl.</td>
<td>300</td>
<td>6.9</td>
<td>7.8</td>
<td>41.6</td>
<td>3,200</td>
<td>10.7</td>
<td>191</td>
<td>93</td>
</tr>
<tr>
<td>Revista De Film Hbo</td>
<td>HBO Romania</td>
<td>277</td>
<td>6.4</td>
<td>170</td>
<td>2.9</td>
<td>4,900</td>
<td>17.7</td>
<td>115</td>
<td>56</td>
</tr>
<tr>
<td>Auto Motor Si Sport</td>
<td>MotorPresse Romania</td>
<td>251</td>
<td>5.8</td>
<td>16.3</td>
<td>17.2</td>
<td>3,325</td>
<td>13.2</td>
<td>185</td>
<td>90</td>
</tr>
<tr>
<td>Tv Satelit</td>
<td>Ringier</td>
<td>228</td>
<td>5.3</td>
<td>58</td>
<td>7.6</td>
<td>2,613</td>
<td>11.5</td>
<td>107</td>
<td>52</td>
</tr>
<tr>
<td>Tvmania</td>
<td>Ringier</td>
<td>190</td>
<td>4.4</td>
<td>87</td>
<td>4.9</td>
<td>6,627</td>
<td>34.9</td>
<td>92</td>
<td>45</td>
</tr>
<tr>
<td>Practic In Bucatarie</td>
<td>Burda</td>
<td>184</td>
<td>4.3</td>
<td>259</td>
<td>3.7</td>
<td>4,000</td>
<td>21.8</td>
<td>39</td>
<td>19</td>
</tr>
<tr>
<td>National Geographic</td>
<td>Sanoma Hearst Romania</td>
<td>175</td>
<td>4</td>
<td>20</td>
<td>14.7</td>
<td>5,900</td>
<td>33.8</td>
<td>120</td>
<td>58</td>
</tr>
<tr>
<td>Playboy</td>
<td>Attica Media</td>
<td>175</td>
<td>4.1</td>
<td>13.5</td>
<td>16.1</td>
<td>5,500</td>
<td>31.4</td>
<td>166</td>
<td>80</td>
</tr>
</tbody>
</table>


## URBAN WOMEN 14-64 - Top Magazines

<table>
<thead>
<tr>
<th>Publication</th>
<th>Publisher</th>
<th>Readership (‘000)</th>
<th>Net Coverage (%)</th>
<th>Audited Circulation (‘000)</th>
<th>Readers / Copy (‘000)</th>
<th>Rate Card (EUR)</th>
<th>CPT (EUR)</th>
<th>Selectivity Affinity Index</th>
<th>Selectivity Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practic In Bucatarie</td>
<td>Burda</td>
<td>785</td>
<td>17.1</td>
<td>259</td>
<td>3.7</td>
<td>4,000</td>
<td>5.1</td>
<td>157</td>
<td>81</td>
</tr>
<tr>
<td>Libertatea Pentru Femei</td>
<td>Ringier</td>
<td>554</td>
<td>12</td>
<td>123</td>
<td>5.3</td>
<td>5,772</td>
<td>10.4</td>
<td>165</td>
<td>85</td>
</tr>
<tr>
<td>Click Pentru Femei</td>
<td>Adevarul Holding</td>
<td>506</td>
<td>11</td>
<td>87</td>
<td>6.8</td>
<td>2,676</td>
<td>5.3</td>
<td>167</td>
<td>86</td>
</tr>
<tr>
<td>Ioana</td>
<td>Burda</td>
<td>443</td>
<td>9.6</td>
<td>51</td>
<td>9.7</td>
<td>3,200</td>
<td>7.2</td>
<td>175</td>
<td>91</td>
</tr>
<tr>
<td>Femeia</td>
<td>Sanoma Hearst Romania</td>
<td>424</td>
<td>9.2</td>
<td>23</td>
<td>20.6</td>
<td>5,200</td>
<td>12.3</td>
<td>173</td>
<td>89</td>
</tr>
<tr>
<td>Ce Se Intampla Doctore</td>
<td>Publimedia Intl.</td>
<td>407</td>
<td>8.9</td>
<td>31</td>
<td>16.7</td>
<td>4,500</td>
<td>11.1</td>
<td>153</td>
<td>79</td>
</tr>
<tr>
<td>Click Sanatate</td>
<td>Adevarul Holding</td>
<td>407</td>
<td>8.8</td>
<td>65</td>
<td>9.4</td>
<td>2,190</td>
<td>5.4</td>
<td>129</td>
<td>67</td>
</tr>
<tr>
<td>Lumea Femeilor</td>
<td>Ringier</td>
<td>399</td>
<td>8.7</td>
<td>45</td>
<td>9.4</td>
<td>2,613</td>
<td>6.6</td>
<td>183</td>
<td>94</td>
</tr>
<tr>
<td>Ioana Secretele Bucatarie</td>
<td>Burda</td>
<td>382</td>
<td>8.3</td>
<td>21</td>
<td>21.3</td>
<td>2,800</td>
<td>7.3</td>
<td>162</td>
<td>83</td>
</tr>
<tr>
<td>Pro Tv Magazin</td>
<td>Publimedia Intl.</td>
<td>377</td>
<td>8.2</td>
<td>91</td>
<td>8.1</td>
<td>4,500</td>
<td>11.9</td>
<td>99</td>
<td>51</td>
</tr>
</tbody>
</table>


## Conclusions and Forecasts

For 2010, the estimated value of revenues from print advertising will be the lowest value for the past decade. The effects of the economic crisis will cause more problems in 2010, but they will be easier to overcome based on the experience of 2009.

The brand and quality of the content might be the key values that will help the print to survive in current economic environment. The restructuring of the publishing industry will continue, with some titles closing, some moving online and more consolidation of ownership.

The price of survival will be paid through production and editorial cost-cuts, reducing the number of pages, eliminating supplements, changing the frequency or lowering the circulation in order to avoid the returns.

The difficult economic environment and the decrease of reader’s income will lead them to purchase less titles from a specific category, and the cover mounts might influence their choice of buying. This will lead to lower circulation.
Big international clients will come with budget cuts, leading to pressure on reducing costs and increasing efficiency in media business.

The share of print in the mix of media budget will be reduced in favor of TV, online or radio media.

The most flexible suppliers will be appreciated, the BRAT and SNA monitored publications will be preferred by clients. Special projects, creative packages, partnership and marketing tools (cover mounts, promotional contests, etc.) will help in the fight for budgets.

The local market has over 300 titles, and looks overly saturated for the readers needs. The deflation of the net advertising price for local publications was lower than central press. The budgets allocated by international clients to local publications dropped dramatically in 2009, and the trend will be the same for 2010.

The clients with consistent budgets prefer to advertise in strong branded titles with high national coverage, owned by big media groups. This approach will increase the share of the big players and weaken the small ones.

Publishers will continue to generate alternative income sources, through subscriptions, books, DVD’s, cosmetics, etc. Another successful strategy might be cross-over packages that include print and online.

The suppliers will fight to keep and if possible, increase their market share through aggressive promotional campaigns.

Also, 2010 seems to be the start for the print-online convergence in Romania. New techniques and services are available – behavioral online targeting, augmented reality technology, which may help print generate revenues in the longer term.
Overview

According to SNA Focus, 55.2% of people aged 14 to 64, living in urban areas, spend at least 3 hours out of home during weekdays, and increases to 61.4% at weekends. According to the same study, the main types of OOH advertising observed by these people are: big posters on street panels and building facades, bus shelters and posters in commercial centers and malls.

The outdoor market still faces the problems of a lack of regulation and the absence of audited data to monitor market developments from year to year, both in terms of consumption and the dynamics of the number and types of OOH advertising structures.

The total number of sites may vary depending on legal regulations, on the evolution of clients budgets, depending on new contracts for significant number of sites or termination of existing ones. Usually, the number of lost faces due to the dismantling of sites was offset by other boards, installed mostly by smaller OOH operators more likely to take advantage of the election cycles.

Due to the current decline in the advertising market the leading OOH operators have slowed significantly the renewal rate of OOH advertising structures. This primarily affected the development of street furniture, TV-screen panels and scrollers. Thus, EpaMedia did not finish the process of replacing bus shelters in Bucharest, the number of cylinder structures remained practically the same and not many old sites were renewed as modern backlits or scrollers.

Despite these fluctuations, it is estimated that the total number of sites available has remained about the same as in 2008.

In Bucharest a new regulation for OOH has not yet been adopted (despite many debates in the General Council), the approval process for new local OOH regulations continued in major cities such as Cluj.

We consider 2009 as at a standstill in terms of signing important OOH contracts for locations, as there were not major OOH auctions in Bucharest (for Transit or street furniture) or in any of the main cities (although they were expected in Iasi and Cluj).

Based on information in the media or press releases from major operators, we estimate the outdoor market decline in 2009 to be between 35% and 40%. Thus, our estimation for 2009 is that OOH (exposure, without production) attracted cca 42 million € (including digital screens and indoor).

Market Analysis

Precise data is not available, the OOH industry lacks any monitoring and auditing information. In this context, if we assume that the market decline has affected all the leading players equally, we estimate that there were no significant changes in market shares for 2009.

EpaMedia (Euromedia Group & Betacons)  30.5%
Affichage                               28.3%
News Outdoor                           12.9%
Clear Channel                          10.2%
Others                                 18.1%
Unlike in previous years, when acquiring smaller OOH companies was the engine for increasing the market share of the main OOH operators, in 2009 due to the economic situation this activity stopped, and so the process of consolidation in the OOH market stopped too.

Due to market conditions, the number of clients spending budgets on outdoor advertising declined, especially in the automotive, real estate and domestic appliance categories. Companies continuing to invest in outdoor advertising were from telecoms, retail, FMCG and beauty, banking and financial services, food & drinks.

Occupancy rates were higher during local and presidential election campaigns, as outdoor was an important element of political campaigns. Due to the availability of locations, the election campaign didn’t significantly influence the market prices. Although estimates may indicate substantial budgets, the lack of official figures means we estimate only a minimal impact on the OOH suppliers revenues.

Digital OOH

The number of operating TV screens declined in 2009, as new investments were stopped in conjunction with high operating costs and low occupancy rates. Some units were dismantled due to re-evaluation of the quality of the sites, major construction work or due to termination of rental contracts. Some of the main players in the field (Phoenix, Vision Media, Prima Media and Inga Media) founded the Association for Digital Billboard Advertising to promote this format and try to avoid reduced spends. However budgets to digital OOH were reduced in 2009 in favour of large backlit panels and street furniture, located on public land.

Indoor Market

Although there were no significant acquisitions in this market, we noticed a consolidation of indoor media groups, providing an increased number of locations and more diversified networks.

The networks available in 2009 remain the same with hypermarkets, supermarkets, night clubs, restaurants, high schools, universities, cinema, theatres, medical clinics, pharmacies, beauty and fitness salons, airports, train stations, residential and business centres.

The customers investing the most in indoor are from FMCG, banking and telecom sectors. In 2009 FMCG clients had a 45% share of investments in indoor advertising, up from 20% in 2008. Automotive and banking clients reduced their budgets by 5% to 10% in 2009.

The indoor operators plan to form their own association, similar and with the same objectives as the Association for Digital Billboards.

Conclusions and Forecasts

There is already a pressure from clients wishing to buy more based on the figures, coming from reliable studies on the outdoor audience. In addition to that, there is the need expressed by the OOH operators for studies on the evolution of the market.

There are studies regarding the impact of all the types of media, which include general information on the efficiency of outdoor. But 2010 could be a turningpoint for serious studies focused on outdoor and indoor, conducted by marketing research companies and financed in a syndicated way by the main OOH or indoor operators.

In fact, the already published information from GfK Omnibus survey, conducted in January 2010 on a sample from urban and rural areas (adults over 15 years), showed that OOH advertising on billboards is often or very often noticed by a quarter of Romanians, especially those with medium and higher education.

The main operators are expecting to finalize significant contracts for locations in 2010, thus boosting the OOH market through investment in prime locations or high audience types of media. There is not yet a
tender for the Transit contract in Bucharest, but a possible new regulation for OOH will again be on the agenda of the Bucharest General Council, which could pave the way for an auction on street furniture.

The major market players are hoping that in 2010 the OOH market will improve. The first half will be difficult, as it was in previous years, and the market is estimated to fall by another 5% -10%. After April 2010 the market should start to stabilize, but even optimistic estimates suggest 2010 will be at the same level as 2009.

Indoor advertising is also estimated to end 2010 at the same level as in 2009, based on the potential of this media to re-invent itself and the potential of special projects.

The financial situation does not encourage operators to increase the quality of service or invest in new equipment, this may lead to other international operators investing or strengthening existing positions in the outdoor market.
Overview
Cinema continued its upward trend over the past four years, increasing its number of admissions and new cinema openings.

Development of the cinema network is directly proportional with the expansion of malls in major cities.

Cinema offers quality advertising commercials: high definition video projected on big screens, digital and 3D movies, Dolby surround.

The main players on the cinema market, covering 73.76% market share audience, in terms of admissions, are:

- Cinema City (6 cinemas) – 29%
- Movieplex Romania – 18.53%

Sugar Media is the only sales house for cinema and sells advertising for Movieplex, City Cinema Management, Light Cinema, Odeon Cineplex and Starplex, representing 36.6% market share in terms of admissions.

Market Analysis
The last launch of Cinema City was in Bucharest, Afi Mall Cotroceni, with 20 screens and IMAX in December 2009, having 4,319 seats.

The great success of Avatar, which premiered in the same period as the opening of Afi Cotroceni by Cinema City helped the multiplex operator achieve a first for Romania's cinema market: selling 250,000 tickets in the first two months (more than 10% of Bucharest’s population).

In 2008 City Cinema was ranked third in cinema operators with a 14% share of total admissions. In 2009, a month after the launch of Afi Cotroceni, Cinema City had the biggest increase versus 2008 and became number one in terms of admissions according to NCC (The National Centre of Cinematography).

<table>
<thead>
<tr>
<th>Major exhibition companies</th>
<th>Number of active cinemas</th>
<th>Screens</th>
<th>Admissions</th>
<th>Gross box office (RON)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CINEMA CITY ROMANIA</td>
<td>6</td>
<td>57</td>
<td>1,531,339</td>
<td>24,140,183</td>
</tr>
<tr>
<td>HOLLYWOOD MULTIPLEX OPERATIONS</td>
<td>3</td>
<td>16</td>
<td>1,385,081</td>
<td>24,568,796</td>
</tr>
<tr>
<td>MOVIEPLEX CINEMA</td>
<td>1</td>
<td>11</td>
<td>978,187</td>
<td>21,244,267</td>
</tr>
<tr>
<td>CITY CINEMA MANAGEMENT</td>
<td>3</td>
<td>11</td>
<td>325,417</td>
<td>3,610,937</td>
</tr>
<tr>
<td>LIGHT CINEMA BUCURESTI</td>
<td>1</td>
<td>7</td>
<td>282,446</td>
<td>5,393,312</td>
</tr>
<tr>
<td>ODEON CINEPLEX</td>
<td>1</td>
<td>8</td>
<td>219,889</td>
<td>2,575,794</td>
</tr>
<tr>
<td>R.A.D.E.F. ROMANIAFILM</td>
<td>37</td>
<td>39</td>
<td>209,199</td>
<td>1,336,181</td>
</tr>
<tr>
<td>STARPLEX</td>
<td>1</td>
<td>9</td>
<td>124,392</td>
<td>1,864,286</td>
</tr>
<tr>
<td>CHICAGO TOUR</td>
<td>4</td>
<td>4</td>
<td>98,274</td>
<td>571,778</td>
</tr>
<tr>
<td>U.C.I.N. STUDIO BUCURESTI</td>
<td>1</td>
<td>1</td>
<td>66,657</td>
<td>515,377</td>
</tr>
<tr>
<td>NOUL CINEMATOGRAF AL REGIZORULUI ROMAN</td>
<td>1</td>
<td>1</td>
<td>15,548</td>
<td>144,214</td>
</tr>
<tr>
<td>QUALITY CINEMA BUCURESTI</td>
<td>7</td>
<td>9</td>
<td>10,992</td>
<td>91,226</td>
</tr>
<tr>
<td>TEATRUL MUNICIPAL ARIEL</td>
<td>1</td>
<td>1</td>
<td>10,522</td>
<td>74,080</td>
</tr>
<tr>
<td>DIRECTIA MUNICIPALA PENTRU CULTURA MEDIAS</td>
<td>1</td>
<td>1</td>
<td>8,454</td>
<td>43,964</td>
</tr>
<tr>
<td>BLISTEX TIGLINA GALATI</td>
<td>1</td>
<td>1</td>
<td>8,060</td>
<td>45,971</td>
</tr>
<tr>
<td>DMB MUSIC RECORDS</td>
<td>2</td>
<td>2</td>
<td>1,949</td>
<td>13,469</td>
</tr>
<tr>
<td>ALTI EXPOATANT</td>
<td>3</td>
<td>4</td>
<td>3,526</td>
<td>24,764</td>
</tr>
<tr>
<td>TOTAL</td>
<td>74</td>
<td>182</td>
<td>5,279,932</td>
<td>86,940,607</td>
</tr>
</tbody>
</table>

Source: National Centre of Cinematography
According to NCC, in 2009, the audience of cinemas grew up by 39%.

**GENERAL OVERVIEW BETWEEN 2005 - 2009**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of active cinemas</td>
<td>85</td>
<td>73</td>
<td>72</td>
<td>75</td>
<td>74</td>
<td>-1.33%</td>
</tr>
<tr>
<td>Seats</td>
<td>50,220</td>
<td>44,643</td>
<td>43,057</td>
<td>46,782</td>
<td>49,871</td>
<td>6.60%</td>
</tr>
<tr>
<td>Admissions</td>
<td>2,829,563</td>
<td>2,776,516</td>
<td>2,928,050</td>
<td>3,797,586</td>
<td>5,279,932</td>
<td>39.03%</td>
</tr>
<tr>
<td>Gross box office (RON)</td>
<td>24,423,454</td>
<td>28,279,665</td>
<td>34,381,413</td>
<td>53,114,230</td>
<td>86,940,607</td>
<td>63.69%</td>
</tr>
<tr>
<td>Average admissions per inhabitant</td>
<td>0.13</td>
<td>0.13</td>
<td>0.14</td>
<td>0.18</td>
<td>0.24</td>
<td>33.33%</td>
</tr>
<tr>
<td>Average ticket price – national currency</td>
<td>8.60</td>
<td>10.19</td>
<td>11.74</td>
<td>13.99</td>
<td>16.47</td>
<td>17.73%</td>
</tr>
</tbody>
</table>

Source: National Centre of Cinematography

The most popular movies were from the USA with 91% of admissions, then European movies with 5.9% and 2.3% for other countries. Just two weeks after its launch, Avatar became the third ranking film by admissions for 2009.

**THE TOP 10 RELEASED FEATURE FILMS BY ADMISSIONS 2009**

<table>
<thead>
<tr>
<th>ORIGINAL TITLE/COUNTRY PREMIERE/DISTRIBUTION</th>
<th>ADMISSIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) EPOCA DE GHEATA 3: APARITIA DINOZAUROLOR</td>
<td>334,217</td>
</tr>
<tr>
<td>2) 2012</td>
<td>288,991</td>
</tr>
<tr>
<td>2012/ US/ 2009/ INTERCOMFILM ROMANIA</td>
<td></td>
</tr>
<tr>
<td>3) AVATAR</td>
<td>255,590</td>
</tr>
<tr>
<td>AVATAR/ US/ 2009/ ODEON CINEPLEX</td>
<td></td>
</tr>
<tr>
<td>4) SAGA AMURG : LUNA NOUA</td>
<td>134,340</td>
</tr>
<tr>
<td>5) O POVESTE DE CRACIUN</td>
<td>120,397</td>
</tr>
<tr>
<td>A CHRISTMAS CAROL/ US/ 2009/ PROOPTIKI</td>
<td></td>
</tr>
<tr>
<td>6) DESTINATIE FINALA 4</td>
<td>115,830</td>
</tr>
<tr>
<td>7) MAREA MAHMUREALA</td>
<td>107,573</td>
</tr>
<tr>
<td>THE HANGOVER/ US/ 2009/ INTERCOMFILM ROMANIA</td>
<td></td>
</tr>
<tr>
<td>8) VREI SA TE INSORI CU MINE?</td>
<td>101,796</td>
</tr>
<tr>
<td>THE PROPOSAL/ US/ 2009/ PROOPTIKI</td>
<td></td>
</tr>
<tr>
<td>9) INGERI SI DEMONI</td>
<td>97,515</td>
</tr>
<tr>
<td>ANGELS &amp; DEMONS/ US/ 2009/ INTERCOMFILM ROMANIA</td>
<td></td>
</tr>
<tr>
<td>10) TICALOSI FARA GLORIE</td>
<td>96,017</td>
</tr>
</tbody>
</table>

Source: National Centre of Cinematography

The main categories using cinema advertising in 2009 are: Beverages, FMCG, Auto, Telecommunications, Banking and Insurance.

According to SNA Focus (BRAT, based on January 2009-January 2010 release, 14-64, urban area) the profile of cinema viewers is young (69% between 14-29 years), 64% are not married, with 77% having medium and high education and 45% of high social status AB.

Other significant findings from SNA Focus:
- Only 14% of the population went to the cinema in the last 12 months;
- In terms of frequency, only 49% of admissions went to a movie at least once a month;
- 65% of admissions usually go to multiplex (the ticket is more expensive than for traditional cinemas). Most multiplex viewers are young and have high social status.
**Conclusions and Forecasts**

The audience for cinemas in Romania is growing with new technologies (digital projection, 3D technology, 6D movies).

Cinema City will launch another cinema in Bucharest in Mall Berceni Sun Plaza in June 2010, and another three local multiplexes in Arad, Baia Mare and Buzau.

CPT (cost per thousand of admissions) is falling in comparison with 2009 due to the crisis and competition.

The price of the tickets will increase through improving conditions.

The cinema media is widening its product range offered to clients: quality on-screen advertising as well as off-screen, consumer promotions, sampling, special events, thematic corners, branded cinema rooms etc.
Creative media usage is not a concept that is new or specific to the last decades. Creative media usage has been the driving force behind the evolution of media. In the last few years, the meaning of creative media usage has been influenced by the exponential increase of informational flows one individual is exposed to. Subsequently it has become a way to increase the efficiency of delivering content in an environment of greater relevance for the consumer. Any existing media has a certain potential to allow creative developments. This capability is dependent on technical capabilities, lead-times, budgets and sometimes legislation. In the case of TV, the need for such developments is high given the clutter level. Creative usage of TV seems limited to product placement and split-screens. The context for product placement can be very consistent with the brand as well as relevant for the target.

However, creativity on TV can go further. One example is the ‘Attack of the Graske’ interactive episode of the BBC’s TV show ‘Doctor Who’. The episode, made available later on the Internet, connects with the viewer via the remote control which the viewer can use to become the Doctor’s companion in a time-travel adventure.

Radio is lagging behind where possibilities for creative usage are concerned, although it can still be used in synergy with OOH in order to create a richer experience.

Print managed to offer creative solutions through various printing styles and formats, while lately managing to connect with the digitally savvy consumer via internet and mobile.

“There is tremendous synergy in blending creative thinking and interactive planning into a seamless process. The resulting insights and ingenuity are far greater combined than either would be individually, amplifying our ability to deliver high-impact, integrated, one-stop media services to our clients.”

Bruce Dennler / President and COO at Palisades Media Group
QR Codes and Augmented Reality projects are good examples of the synergy between print and on-line while their popularity increases throughout the world, including Romania.

One example of QR code usage is incorporated in the launch of this year’s edition of our Media Fact Book.

Augmented Reality is another form of synergy between print and on-line allowing the consumer of offline media to access rich digital media content by having the key scanned by using a web-cam or a phone camera. One such example of using augmented reality is coming from Esquire magazine and features rich digital content featuring Robert Downey Jr. as the main character (as he is also the cover-man for the respective issue).

Internet is the most permissive and supportive media for creative developments and the only things that still act as boundaries are legislation and sometimes the lack of knowledge and imagination.

Even so, Internet provides numerous ways of being creative from special format banners, power banners, interactive banners and spy banners to social networks, user generated content platforms acting as viral facilitators, interactive games and so on.

One particular form of on-line based creativity that creates enjoyment and becomes intensely viral is Immersive Flash Video. The final effect of this creative approach is an expansion of the video content to the active page content resulting in a rich, branded experience with “wow” factor. Below, examples of Tostitos campaign developed on Vimeo.
Cinema is also subject for creative media usage, mostly through stimulating the senses of the audience by light, sound, airflow, changes in temperature, etc. One example comes from BMW who, for their Bi-Xenon technology, produced a spot with two headlights approaching the screen from the horizon. In order to emphasize the effect during the projection, the lights in the cinema were varied to create the surrounding effect of headlights approaching.

Cinema is also getting interactive, an example being the 13th Street – Last Call project. Spectators in the cinema hall are asked to send an SMS, their submission getting stored in a database. During one particular scene, when the main character in the movie makes a phone call, numbers from the database are called up thus some of the viewers get themselves talking to the movie character being asked for their advice upon the action unfolding. Subsequently, viewers take active part in the movie action, their advice being able to lead to different movie endings.

Special decorations are the basic, widespread creative solution when it comes to OOH. More recently, OOH creativity involves using synergy with other media (print, radio, TV and digital) as well as interactivity through usage of new technologies. Interactive panels (e.g. McDonald’s or IBM’s) able to detect viewer’s clothing colors hence adjusting its displayed color scheme accordingly or using distinct scents in various OOH locations are just some interesting creative OOH ideas of today.
OOH goes even beyond into an area where everything becomes media. Plains of crops, food, straws, sidewalks, electricity lines and even the sky itself can become media where an advertiser can place their message.

And it can get to the point where the human body becomes media too!

Generally, nowadays creative media usage is supported and enabled by the evolving technology and by the relentless quest for relevance and impact. Limitations come mainly from imagination and of course budget in relation to the possibility of measuring ROI through traditional methods.

Nevertheless there will always be creative ideas, brands and marketers willing to take credit for being the first to use it.
During the last years, research has increasingly developed, reflecting the sophistication of the advertising and media tools and processes. Local research tends to get aligned to European standards, reliable and complex audience measurement; industry-standard studies have already been established for television, press and radio.

Acknowledging the importance of media research in building a competitive and professional advertising market, Initiative is an active member of all relevant associations supporting the implementation of audience research tools. Accordingly, Initiative uses all media research tools available as industry standard.

**TV Measurement**

Audience measurement for TV is available August 2001 while access to detailed audience data is available through membership to ARMA (Romanian Association for Audience Measurement), an organization that also represents the beneficiaries interest in relationship with the data provider.

In 2007, GfK Romania was designated by ARMA as the new TV Audience Measurement (TAM) Service provider. GfK Romania started its TAM operations with the set-up of the whole system: panel, hardware systems, software systems, communications, monitoring. The whole process was done in close collaboration with ARMA Technical Committee. Starting with January 1st 2008, GfK Romania delivers the official TV audience data in Romania.

TAM system is a quantitative research, which measures the TV usage among Romanian population: the minute by minute viewing, 24/7, on all TV stations that can be received on Romanian territory. GfK TAM system offers also a wide potential of analyzing targets on more than 130 socio-demographic and lifestyle variables. Telecontrol peoplemeters provide precise every-second metering of all actions - Plug-In, GSM/GPRS-Modems, Interface for Set-Top-Boxes or SIP, Monitoring all TV channels, Monitoring all TV Sets from a Household.

At the start of the service, at January 1st 2008, 40 TV stations were registered as members of the National Study of Measuring TV Audiences, while at the end of 2009 GfK Romania has reported audience and monitoring data for 52 TV Stations. Starting April 1st 2010 the number of the measured TV channels has increased to 55.

Monitoring data is available from a relatively wide range of providers, although only GfK Romania provides performance data for TV spots alongside with correction factors for spots with length different from 30". Starting 23rd of March 2009 GfK Romania has created a web site where each client has a user account for accessing all the data needed and a video archive with all the TV commercials aired since 1st of January 2008.

The software tool for exploiting data provided by GfK is InfoSysTV (provided by TNS Research) and it allows detailed and complex visualizations and analysis of both audience and monitoring data while at the same time offering a module for media planning.

Other notable providers of monitoring data are AlfaCont (presently monitoring 16 TV stations) and Media Image.

**Internet Measurement**

BRAT is presently the only provider of performance data concerning Internet traffic and audience structure. The study is called SATI and presently is the only generally recognized study by the media industry, although other services of traffic measurement exist.

“I know quite certainly that I have no special gift. Curiosity, obsession and dogged endurance have brought me my ideas.”

Albert Einstein
The method used for traffic measurement, audience and profiles of the websites is already used for many years in four other European countries and is widely accepted. It fulfills the IFABC guidelines regarding the traffic measurement.

SATI presently measures 290 websites, 22 groups of websites and 12 mobisites.

Traffic measurement is delivered through two main access points: the SATI website and the Scores on-line application. Traffic data started being delivered by SATI since October 2007.

The SATI website offers general traffic data (page impressions, number of visits and unique visitors) and has general access. The data is given in daily, weekly and monthly figures for the last 12 months of data traffic measuring with downloadable traffic certificates being available.

The Scores application offers data for the same websites as the SATI website, but the data analysis is more in depth, offering possibility for traffic splitting on various sections, comparison between websites, daily and hourly resolution for data analysis, top entry/exit pages, geographical location and technical data (browser type, screen resolution and operating system). The application allows for real time viewing of traffic data.

Audience measurement is available from June 2008 when BRAT delivered for the first database for audience measurement.

The standard delivery for the internet audience data is spanned on a period of 6 months, with weekly averages being given. SATI measures the audience (number of visitors per week) of the websites, for the people, 14 – 64 years old, living in urban areas, who are internet users. The method for data collection is CAWI (computer assisted web interview).

Basic demographics along with general Internet usage and some consumption variables are available.

The software for the Internet audience data is SESAME, the same as in the case of SNA FOCUS, and besides the simple table listing, crosstab generation and media ranking facilities it also contains a basic media planning module based on weekly page impressions figures.

Monitoring data for on-line campaigns is still in the development process in Romania.

In 2010, BRAT will launch a new study, with the purpose of monitoring online advertising. The study will track and measure the gross investments for all the campaigns implemented on the monitored websites, making possible the actual performance evaluation.

However, the IAB / PWC audit – ROADS – offers, financial figures for on-line campaigns every 6 months. The data is presented in the form of a report of on-line expenditures split by category/industry.

### Radio Measurement

Audience measurement is available through the Radio Audience Survey (SAR) is a syndicated research program in co-operation with the Radio Audience Association (ARA). In 2003, IMAS Marketing & Polls and Mercury Research were appointed to implement the new radio audience measurement. The service is available since June 2004.

“Day after recall” method (the remembrance is aided by recalling the activities conducted during the day before the interview). The frequency of the study was of two waves per year during 2004 - 2007. Starting 2008, SAR delivers audience data in three waves per year. The universe covers urban and rural population, living in private households in urban and rural areas, aged 11+ years old, in accordance with official statistics at July the 1st 2009.

The software for data analysis is MasoR7 (Media Audience Software Radio). The audience segmentation considers all the variables in the questionnaire on the basis of which the user can build specific target groups. The software also has a planning module that can be used for gross planning of radio campaigns.

Monitoring data for radio is available from providers specialized in media monitoring, such as AlfaCont (presently monitoring 11 radio stations) and Media Image.
Press Measurement

BRAT is presently the only provider of performance data concerning print-run audit and audience measurement for press.

Print-run and circulation audit is being offered through third party auditing companies appointed through offer selection. Audit data is public and comprises total print-run, distributed print-run, circulation (through kiosk sales, paid subscription, free copies, block sales etc.) and returns.

For the free press, the audit data comprises different categories of circulation: beside the print-run, the distributed copies are detailed by the way they are distributed: list of subscribers, public places, events, etc.

BRAT also offers audit services for electronically distributed publications.

Starting 2009, BRAT increased the level of security regarding the audit figures, verifying by its own personnel, in the field, the print-run.

Starting 2009, the circulation statements are issued on a fix date, therefore each and every trimester, all the audited print titles release their circulation data at the same time.

Presently BRAT audits an approximate number of 300 publications, both national and local.

Audience measurement is offered through the SNA-FOCUS study, which offers, besides readership measurement (main dimension measured is AIR – average issue readership) a wide range of demographic variables and data regarding the consumption of goods and services.

The study’s universe consists of individuals, urban residents age 14 to 64 years old and the database is delivered on quarterly basis, with the figures reported being the yearly averages. Presently, the study includes an approximate number of 200 publications, all of them being BRAT members.

The software for exploiting the data is SESAME which offers possibilities of target definition, simple tables listing, crosstab generation, cluster analysis, duplication analysis, media ranking and media planning.

An important development in the SNA-FOCUS is presently undergoing and it consist in the transition from PAPI (pen-and-pencil interview) to CAPI (computer assisted personal interview) as technique for gathering data.

Monitoring data for press is available from providers specialized in media monitoring, such as AlfaCont (presently monitoring 189 national and local titles) and Media Image (monitoring national and local titles as well as on-line editions of print publications)

OOH Measurement

Presently there is no syndicated study to measure performance and traffic data for OOH supports. Although there have been several attempts to implement an OOH traffic study that would be generally recognized as both relevant and reliable, nothing has been actually implemented. Occasional studies are released by OOH vendors that are either incomplete in coverage and the type of studied formats, or disputable in terms of used methodology.

As the search for a technical solution and a more general consensus related to this type of study continues, OOH owners and sellers would most likely continue to do their own traffic estimations for their respective OOH supports.

Cinema Measurement

Presently there is no syndicated study to measure traffic data or the demographic structure of cinema goers, although main cinema chains do conduct ad-hoc client research projects in order to measure those indicators. Reports from those studies and available, in variable amounts, to media agencies.
Conclusions and Forecasts

Although media research is a very important tool for media owners, media and advertising agencies and advertisers, the cost of acquiring the necessary databases and software are expensive, and not all the players on the market afford to pay. During the last couple of years a lot of smaller research clients decided to cancel some of their syndicated research subscriptions, thus increasing the pressure on the remaining ones.

Also due to the general economical situation, 2009 and 2010 will slow down the development for new research tools, a more cautious and functional way of thinking being adopted.

If investments in new syndicated research would be done, they would be most likely dedicated to the Internet & New Media measurement improvement.

Romania will still remain consistently behind other countries in terms of used technology or media measurement, even if CAPI and online campaign tag measurement will be implemented within respective syndicated studies.

By the end of May 2010, ARMA will start the tender process for assigning the new provider for TV audience data measurement starting 2012. The process will be completed by the end of 2010, and the winner will be announced in January 2011.
Traditional Media - Advertising Terms

**Advertorial**
It is a subtle form of communication, used in print, by which the strengths of the advertisers’ brands are communicated in an editorial format. The feature is clearly marked as an advertisement. It should be in line with the editorial style of the publication.

**Affinity Index**
Is a media planning efficiency indicator. It shows how a specific program / medium performs against a specific target group compared with a reference target group. E.g., for TV, the specific target group of a brand (expressed as TRP) versus a broader, reference target group e.g. ‘All Urban’, that is the buying TA (expressed as GRP). The affinity index = TRP/GRP*100 and it should be higher than 100 in order to optimise the TV buying.

**Agency Commission**
The fee claimed by an agency for the advertising services delivered to advertisers. It can be calculated as a percentage of the net cost of the advertising budget or as a fixed yearly amount.

**Audience**
The number of homes / individuals in a specific target group viewing, listening to or reading a particular media vehicle.

**Audit of Circulation**
Detailed circulation analysis run by a specialised audit company, for one publication. This information becomes public and is a useful working tool for the publications themselves, media agencies and advertisers.

**Average Frequency**
The average number of times the members of a target audience are exposed to the advertising message during a given period of time.

**Barter**
A station / publication is offering its adtime / adspace in exchange to other merchandise. Instead of selling the program to a station, its supplier gives the program to the station in exchange for commercial time during that program or during other programs of the station.

**Billboard**
American term for either the advertising on poster boarding or the sponsor’s mark around a television programme (usually static company logo).

**Bleed**
For print – placing an ad to the edge of a page, leaving no margin.

**Circulation**
Number of copies of a given issue of a publication that is distributed, either paid or for free.

**Client Volume Discount (CVD)**
A further discount for those advertisers that achieve specific expenditure levels with a media owner / sales house.

**Clutter**
There are 3 main types of advertising clutter:
(1) The overall market clutter – the total number of ads seen or heard by a person;
(2) The competitive clutter – the total number of ads seen or heard by a person for competing brands;
(3) The media vehicle clutter – the length of each TV break or the number of ads contained within a publication.

**Commercial Break**
Is a break in a TV or radio transmission during which ads are broadcast.

**Competitive Analysis**
A periodical (monthly, quarterly, yearly) monitoring of the competitive advertising activity: ad-spend, campaign period and weight, channel mix, strategy & tactics etc.

**Cost per Thousand (CPT)**
The cost of achieving a thousand contacts with readers / viewers / listeners.

**Cost per Rating Point (CPP)**
The cost of a media vehicle (or media schedule) to reach one rating point (1%) of the specific audience.

**Commercial**
Any announcement that is broadcast with advertising purpose, an advertising spot.

**Coverage**
The proportion (expressed as %) of a target audience that has any opportunity to see / hear the specific ad.

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“When trying to express oneself, it’s frankly quite absurd, / To leaf through lengthy lexicons to find the perfect word. / A little spontaneity keeps conversation keen, / You need to find a way to say, precisely what you mean […]”

Mary Poppins

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“media dictionary :\>”
Daily Monitoring
Daily follow-up of an ongoing TV campaign, to keep it within the planned parameters: spot broadcasting, update of audience performance (GRPs, TRPs) vs. planned, budget status – supplementary spots are added if the budget under-performed or budgets are cut if the budget over-performed.

Day-Part Segments
Time bands associated with levels of audience delivery. For the Romanian market the standard day-parts are:
- Day Time: 07:00 – 16:00
- Access Prime Time: 16:00 – 19:00
- Prime Time: 19:00 – 23:00/24:00
- Late Fringe: 23:00/24:00 – 25:00
The day parts may vary from station to station and/or in weekdays and weekend.

Diary
A log kept by members of a consumer panel to record their viewing, listening, reading, purchase, consumption and other lifestyle habits etc. Used currently for radio, press, consumption study.

Double Page Spread
Two full pages of immediately adjacent advertising.

Effective Frequency
The level of coverage and frequency calculated to deliver the optimum awareness / sales performance for a given creative / campaign.

Effective Reach
The percentage of the target that is exposed to the ad a sufficient number of times to produce a positive change in awareness, attitude or purchasing behaviour.

Efficiency
The relationship between circulation / audience and cost, most commonly expressed as Cost Per Thousand (CPT).

Equivalent
In TV and radio, the advertising expenditure, CPT delivery for each commercial length is often expressed as an index on 30" or ‘30” equivalent’. For Romanian TV, the standard cost indices are:

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</table>

Flight
Period of advertising activity.

Flowchart
A yearly calendar of client media campaigns. It shows the active periods by medium, by brand / product, and the campaign phasing. It is the graphic representation of the annual strategy.

Gross Rating Point (GRP)
The sum of ratings achieved by a specific media vehicle or schedule. 1 GRP = 1% of the target audience having at least one opportunity to see the commercial. GRP is a general media currency.

GRPs = Net reach × OTS.

Gross Expenditures
Refers to rate card budget, with no discounts, taxes or agency commission applied to it.

Guaranteed CPP
Is the dominant TV sales policy on the Romanian market. The cost for placing a spot results from the amount of rating points recorded by that spot.
The net/net cost of a spot = Cost / Point (All urban) × Number of rating points recorded. Based on the budget committed by a client to a TV station, on the share it represents of the total etc, the agency negotiates a Guaranteed CPP with the media owner, for that client.

Guaranteed GRP
The station commits to deliver a specific amount of audience – GRPs – for a certain campaign.

Horizontal Road Blocking
Placing a TV or radio commercial at the same hour on different channels. It builds the reach of a campaign.

Implementation Planning
Producing a detailed media plan that is to be bought within any given market, following the media strategy.

Impression(s)
The actual exposure of an individual from the target audience to the advertisement.

Media Fragmentation
Increase in the availability of media choice. The process can be seen through the increase in the number of print media titles, and more recently through the rise in the number of television channels (such as satellite broadcasting, cable). The media support becomes more targeted on a narrower niche.

Media Vehicle
Any advertising – carrying medium such as television, a magazine or an outdoor site.

Media Plan
A detailed media schedule containing the list of spot / print layout placements for a period of time (TV station / title, date, day, program, time, ad break / page number), estimated GRPs and costs. The media plan reflects the implementation of the media strategy.
Net/Net Expenditure
1. Rate card minus all the discounts and benefits;

Net Expenditure
Net/net plus the agency fee and the health and cinema taxes, but excluding VAT.

Net Reach
Is the percentage of the target audience that was reached by the message at least once during a period of time (e.g. a 4-week campaign).
Net reach is target audience coverage at 1+.
Net reach = GRPs / OTS.

Optimisation
A method of schedule planning / building using a computer program to produce an optimum schedule according to criteria set by the planner / market.

OTS / OTH
The opportunity to see / hear an advertisement by the target audience during a period of time (e.g. a 4-week campaign).

OTS = GRP / Net reach.

Panel
Sample of people who are used for regular (keep diaries, PM etc.) or periodic (repeated interviews) research. The advantage of panels is that they allow the tracking over time of viewing, listening or product consumption.

People-meters
Advanced monitoring tools that record the status of the TV sets within a panel household, by member of family, on a continuous basis.

Phasing
Strategy of alternating the weekly weight of a campaign in order to obtain greater media efficiency.

Post-Buy Analysis
The evaluation of a schedule’s achievements after its running, compared to the planned level. The analysis covers TRP and GRP performance, OTS, coverage and frequency, airing time, the actual position in break, analysis of the used TV channels and programs, trends etc.

Premium Positioning
Preferential placement of ads in specific media e.g. for print, positioning might mean the placement of the ad to face editorial, on the right page, on the back cover or inside cover etc. For TV, this might mean the choice of the break or the choice of the position inside break – first / last etc.

Rate Card
A medium’s price list. Rate cards are issued periodically and show the prices charged for various timeslots, programs, press modules.

Rating Point
The percentage of audience recorded by a particular program / issue of a publication.
1 rating point = 1% of a target group reached by that program.

Readers per Copy
The average number of persons that read a copy of a publication calculated by dividing average readership of an issue by circulation.

Outdoor Site
An outdoor location where one or more poster panels are placed.

Share of Audience
The percentage of a viewing audience watching one channel out of all the TV viewing, at a given period of time.

Share of Expenditures (SoE), Share of Spend (SoS)
The brand’s or group of brands’ advertising weight expressed as a percentage of expenditures of a defined total market or market segment, in a given time period.

Share of Voice (SoV)
The brand’s or group of brands’ advertising weight expressed as a percentage of GRPs, number of pages, of poster sites etc. of a defined total market or market segment, in a given time period.

SNA FOCUS
It is a consumption survey based on the already established SNA research. The research objectives: obtaining comprehensive information about media penetration, products and services purchase patterns and the socio-cultural behaviour. It is a syndicated research, controlled by the advertising industry (BRAT).

Solo Spot
An advertisement placed in the middle of a TV program, without being announced as advertising. It records the rating of the program and has maximum impact. Its cost is higher than regular advertising. By CNA decision, a TV station may broadcast maximum two solo spots per day.

Strategic Media Planning
Providing a media solution to marketing plans, establishing communication goals, media choice, seasonality and targeting.

Target (universe / audience)
The people or the market a campaign aims to reach.

Target Rating Point (TRP)
Is the percentage of audience recorded by a program / issue of a publication against a particular target group.
1 rating point = 1% of a target group reached by that program.

Universe
A group of people whose total number represents the ultimate potential reach of a piece of activity (advertising, research etc) e.g. ‘All housewives’.
Online - Advertising Terms

Ad Server
A computer, normally operated by a third party, that delivers and tracks advertisements independent of the web site where the ad is being displayed. Use of an ad server helps establish trust between an advertiser and publisher since the statistics are maintained by an objective third party.

Banner Burnout
A term used to describe an event when a banner has been shown to the same visitor(s) to the point where the click through rate has dropped dramatically. Rotating banners helps to reduce banner burnout.

Broadband
or high-speed Internet access allows users to access the Internet and Internet-related services at significantly higher speeds than those available through “dial-up” Internet access services. The Federal Communications Commission (FCC) generally defines broadband service as data transmission speeds exceeding 200 kilobits per second (Kbps), or 200,000 bits per second, in at least one direction: downstream (from the Internet to computer) or upstream (from computer to the Internet).

Clicks
The number of click through that have occurred as a result of a user clicking on a banner and being redirected to an advertiser’s web page.

Click Through Rate
The percentage of impressions that resulted in a click through. It is calculated by dividing the number of clicks by the number of impressions. For example if a banner was click on 13 times after being displayed 1000 times, the banner would have a click rate of (13 ÷ 1000 = .013 ) 1.3%. This is also commonly known as a banners click rate.

CPM - Cost per thousand (CPM)
is one of the online payment models by which advertisers pays for every 1000 impressions of their advertisement. Prices typically range from $1 to over $50 per thousand impressions. This is an ideal method of payment for advertisers who want to guarantee only the number of people who sees their banner. The “M” in CPM is from the Roman numeral for 1000. The Roman numeral M was derived from the Latin word “mille” meaning “thousand”.

Weight
The size of the advertising burst or campaign measured by the GRP delivery.

xDSL
eXtensible Distance Learning System.

Frequency
A term used to describe the number of times the same advertisement is shown to the same visitor during a particular session or time frame. This can be accomplished through the use of cookies.

House Ads
A type of banner advertisement that a web site publisher runs in an ad space when no paying advertisement is available to fill the space. Typically filled with an advertisement promoting one of the web sites services, products or features.

Impressions
The number of times a banner ad was requested and presumably seen by users. It is often hard to obtain an accurate impression count as they can be undercounted due to issues relating to cache or over counted due to requests that were not completed.

Inventory
The number of ad spaces available for sale on a web site during a certain time frame. Determined buy taking into consideration the number of advertisements on a page, the number of pages with advertisements and the number of page views during a specific time frame.

Island Position
An advertisement that is completely surrounded by editorial material with no adjoining advertisements to compete for the audiences attention.

Landing Page
The page on a web site where one is taken after clicking on an advertisement. While this can be any page, it is often a page designed to expand on the service or product mentioned in the initial advertisement.

WAP
Wireless Application Protocol- is a specification for a set of communication protocols to standardize the way that wireless devices, such as cellular telephones and radio transceivers, can be used for Internet access, including e-mail, the World Wide Web, newsgroups, and instant messaging.