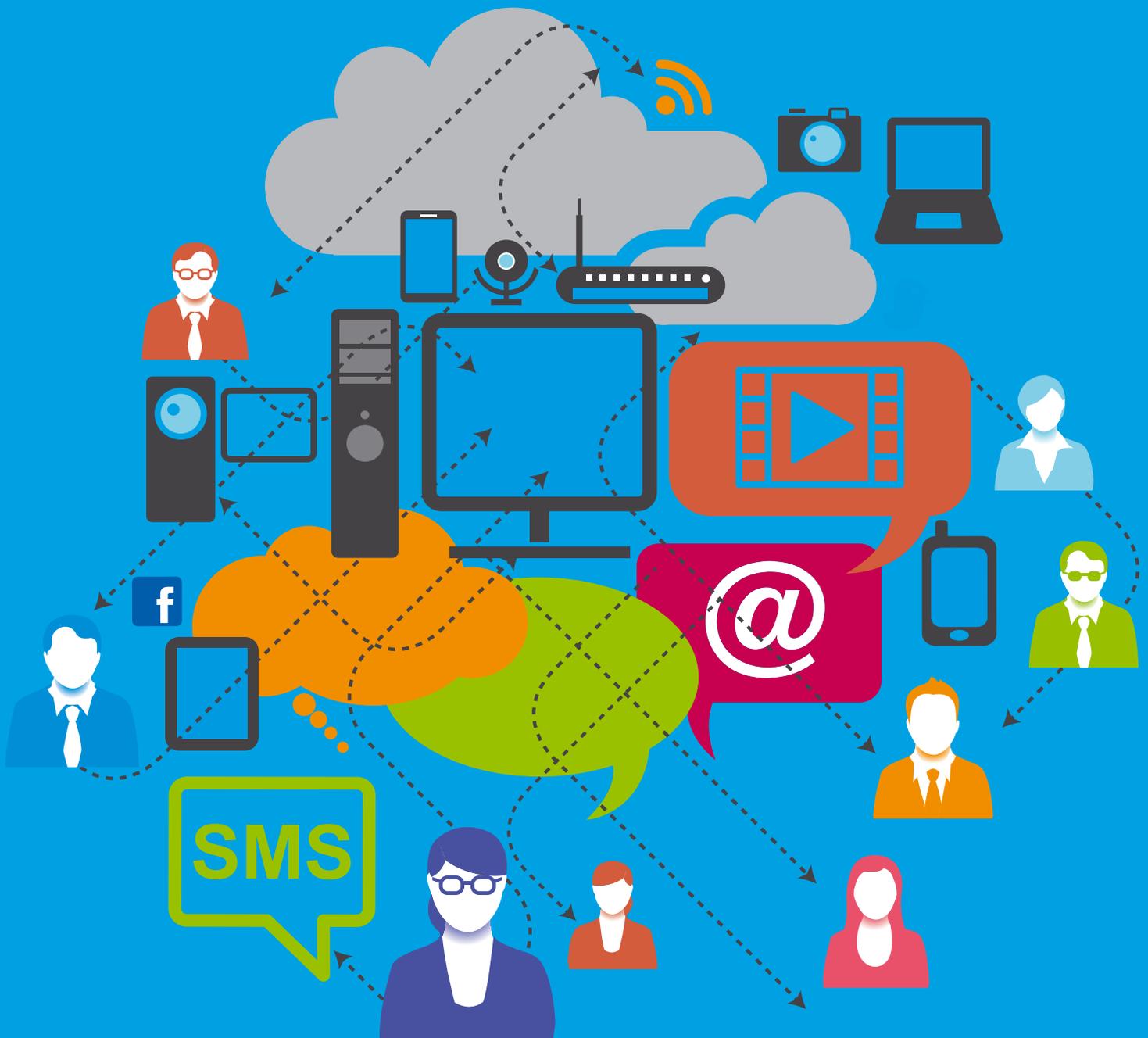


initiative

media fact book

ROMANIA 2013







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This document is a product of **initiative**

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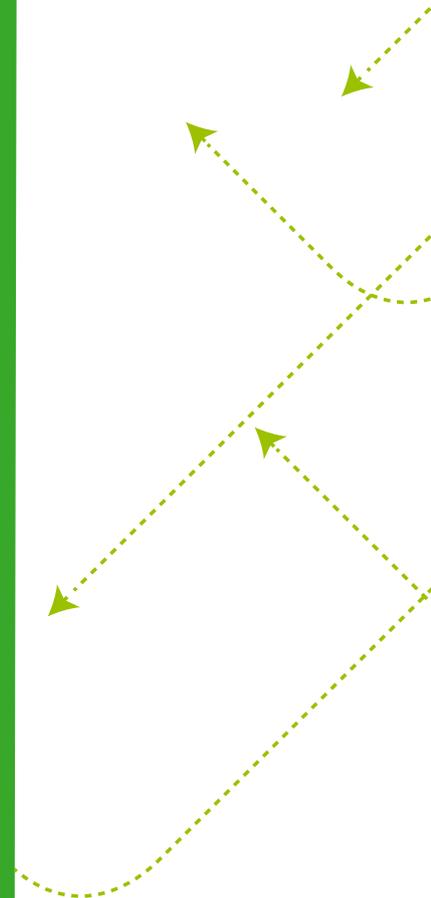
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Readers should understand that the data contained in the Media Fact Book is as actual and accurate as the sources could provide at the moment the book was written.

Your comments and suggestions are welcome as a valuable input for the future editions of this book.



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Alexandra Olteanu
Managing Director

EDITOR'S FOREWORD

On April 12, 2013 the Romanian Government published in The Official Monitor an Emergency Ordinance that modifies the Audiovisual Law bearing serious consequences upon all market players, agencies, clients, broadcasters as well as upon the consumer.

From the inception phase which, to our understanding, took place in Feb 2012 till the preliminary document that became public in November 2012, this governmental act has been kept secret from the public and private partners whose activities are concerned and affected by the EO, as well as from governmental bodies that are otherwise legally responsible with debating, consulting and updating the Audiovisual Law

Throughout November and December 2012, the marketing and advertising industry with the support of organizations representing foreign investors in Romania has strongly objected to this Government project which, as issued, contained provisions with a strong negative impact not only on the media and advertising industry but also on cable TV operators and on the National Audiovisual Council.

Following these interventions the project was subjected to consultations from several Ministries (Finance, Telecommunications), from the National Audiovisual Council as well as from the Competition Council, the latter giving the project a rather negative assessment while the others expressed either a neutral position or reservations towards the project.

After a few months during which the topic subdued on the public agenda, on April 12th 2013, the EO25 was swiftly published in The Official Monitor entering into effect as of that day.

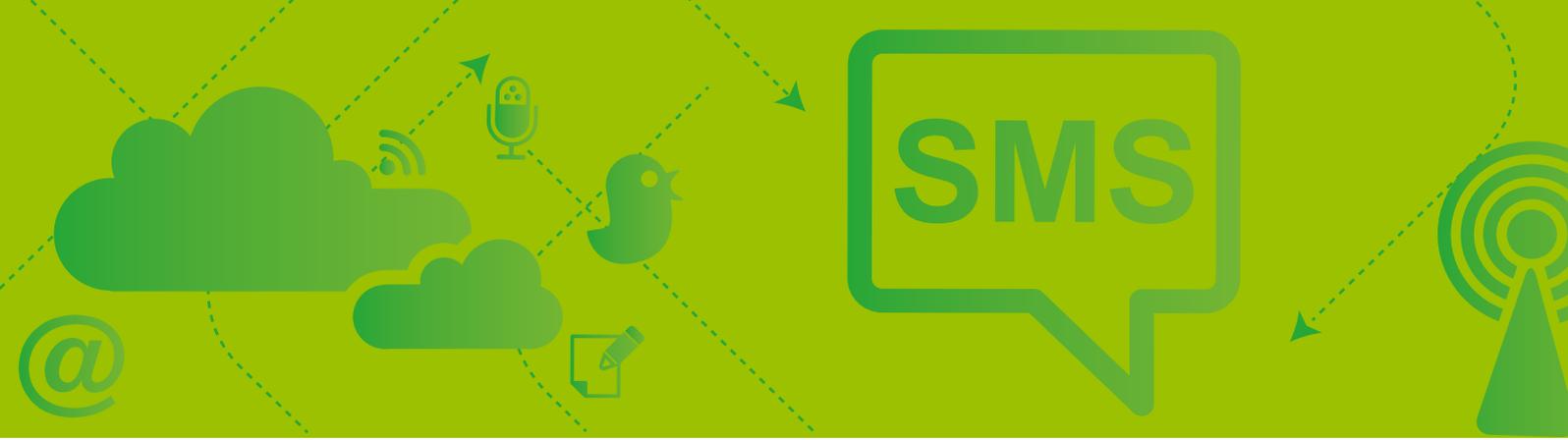
The published Ordinance is not accompanied by any implementation norms leading to a quasi-generalized blockage in the commercial relations as well as to revisions of business plans, including revisions of TV advertising plans for the remainder of the year.

Besides the immediate impact of this Ordinance ruled into effect without any implementation norms or prior preparation, the law as formulated today has a discernible long-term impact upon the marketing and advertising industry, upon many other industries connected to it as well as upon the consumer.

The analysis of impact leads to the following negative effects of the EO in its current form:

A)FOR ADVERTISERS

- Increased bureaucracy within purchasing & marketing departments. They will have to manage commercial relations with a large number of direct suppliers which will result in increasing operational costs and lead times. This will impact the market price paid by the consumer for their products and services.
- Loss of negotiating leverage for agencies will translate in higher prices paid for the same TV advertising and it may result in reduction of TV budgets.
- Bringing broadcasters and advertisers in direct contact may create the context where broadcasters may apply editorial pressure on clients in order to determine favourable budget allocations. This is a risk upon which many clients expressed serious concerns.
- For a considerable number of small/medium companies TV advertising may become inaccessible if pricing will increase. This would lead such companies into loss with immediate effects upon existing jobs and taxes paid to the State Budget;
- Difficulties for clients in organizing tenders with media agencies for TV buying. As opposed to other media channels, for TV agencies can no longer comitt on price offers in their own name as clients are expect from a contractual partner, as is the norm anywhere in the world.



This infringes the economic freedom of the advertiser and hinders its access to a price established by the normal exercise of supply and demand in a normal competitive environment.

- Major difficulties to comply for advertisers that are not resident in Romania and operate on international contracts.

B) FOR BROADCASTERS

- A surge in operating costs generated by the need to manage commercial relationships with hundreds of clients every month may inflict losses; at the same time the sales process will be hindered as until the EO it was the agencies that undertook most of this task in direct relation to each of their respective clients.
- Account receivables collection time will increase generating cash flow problems which will affect their payment to suppliers or even lead to insolvency.
- The risk for payment default will be entirely undertaken by broadcasters with potential negative effects upon their own companies as well as upon the entire chain of supply.
- Small/Medium broadcasters, including the non-resident ones, will not have the means to sell their entire available inventory. This will lead to losses on their part or even market exits.
- A reduced number of broadcasters alters significantly the competitiveness of the Romanian TV market, to the point where a TV oligopol may emerge with significant consequences upon TV pricing inflation.

C) FOR AGENCIES

- Dismissing the agency as intermediary and professional agent qualified in accommodating supply and demand for inventory means discounting the added value of its services for both clients and broadcasters to the detriment of its revenue from such services.
- A reduction of jobs amongst agencies will produce direct negative effects on the job market as well as on the taxes paid to the State Budget;
- Difficulties in engaging in tenders given that the agency is no longer able to formally commit in its own name to a commercial TV offering towards the client. This affects directly the freedom of the agency to conduct its business according to the international standard practices of this industry.

D) FOR THE STATE BUDGET

- A reduction of revenues to the State Budget, especially VAT and profit tax, caused by the job losses on the part of agencies, broadcasters and advertisers, by the reduction of revenues and profits for agencies and broadcasters.
- Loss of control upon the Cinema Tax collection which today is transparently and timely ensured by its handling through agencies. Proof that the system was working correctly and efficiently is the prestigious film productions financed via agencies and CNC that brought an immense capital of international recognition to Romania over the past few years since the fiscal responsibility for tax collection was switched from broadcasters to agencies.

Moreover, there are another three major aspects where EO25 affects the entire business climate in Romania:

1. It is an unprecedented and very State intervention in a private business sector. Dismissal of the role and the value added generated by the institution of the intermediary creates a dangerous precedent for future interventions in other business sectors where intermediaries' activity delivers added value in a correct and transparent way: real estate, tourism services, distribution of goods and services, etc.



2. It rules transparency for one category of players – the agencies – but at the same time, by omission, opens way for arbitrary business conduct, lack of transparency and implicitly, anticompetitive practices for other players:

The OUG implementation will cause financial losses and even bankruptcy for medium and small broadcasters as they will no longer be able to negotiate and sell their product to a large number of clients and, subsequently, will fail to capitalize on their inventory deprived by the professional services of intermediaries (sales houses); the role and place in the market for sales houses will thus be annulled.

Broadcasters can alter the competition amongst agencies or amongst clients by establishing different prices without any transparent and equitable fundament, respectively by altering agencies' chances in tenders where broadcasters eventually choose to participate in own name.

Equivalently, broadcasters have no legal obligation to transparency in their pricing policy, including discounts and commercial conditions, otherwise necessary for a fair, transparent and equitable marketplace that would allow clients to project realistic and stable business plans.

3. It affects the marketing and communication industry, whose members are well reputed major international companies and some of the largest investors in Romania, in a way that casts a negative image about the predictability, safety, transparency and fairness of the Romanian business environment.

In order to prevent the negative implications detailed above, representatives of the industry have conceived a number of necessary amendments to the current text of the Law that have been submitted to the appropriate law-making parties.

At the same time, our agency, with the UAPR's designated legal assistance, has and continues to work in order to prevent major disruptions in the TV commercial operations while making the transition as smooth as possible for its clients and for broadcasters by employing simple, swift and legal solutions to implementing a new set of contractual documents adapted to the new legislative and operational reality on the TV market.

There is one certainty, nevertheless. With this EO the advertising industry as a whole – agencies, clients and broadcasters – will have to adjust to a business reality that is significantly different. Its effects have barely surfaced.





ABOUT Initiative

In 2012 Romania registered a slight market decline by 2.6% in spite of the positive global trend of advertising spends (+4.1%).

For the last eight consecutive years Initiative significantly over-performed the market, even during recession the company has succeeded to increase its market share.

According to the latest report from the Ministry of Finance (2011) the combined buying volumes of Initiative and of sister agency's Brand Programming Network are ranking in Top 2 largest buyers in Romania.

Initiative leads the evolution of the communication market thus our strategy, besides maintaining excellence in the traditional range of media services, places a strong focus on Digital services and Integration of all communication disciplines under one roof. We established SEM & social media capabilities in house and developed a complete mobile marketing offering through our specialist agency MobileWorks.

The digital services we offer today include:

- › **ONLINE & MOBILE COMMUNICATION PLANNING (STRATEGY, PLANNING, BUYING, OPTIMIZATION)**
- › **SEM (BID STRATEGY, ADWORDS, BUYING, MANAGEMENT, CONTROL, OPTIMIZATION)**
- › **SOCIAL MEDIA ACTIVATION**
- › **TRAFFICKING AND AD SERVING**
- › **REGULAR REPORTING OF THE CAMPAIGN PERFORMANCES**

Moreover, our teams have the capability to work as an extension of our client's marketing team. Besides strong media skills, they have the ability to think and design integrated, multi-disciplinary campaigns, hence able to offer clients with one, round communication strategy and unitary management of implementation leading to successful and highly efficient results.

Initiative is committed to Performance that ultimately produces business results for its clients through meaningful insights, creativity in approach and negotiation power & smarts.

We are proud to serve our clients and aim to lead the "marketing revolution" together with Altex, Austrian Airlines, Bergenbier SA, BMW, Continental, Fujitsu, Johnson & Johnson, JTI, Kika, Lidl, Lyonesse, Marionnaud, Millennium Bank, Omega Pharma, Orange, Provident Financial, tocmai.ro, Zelmer.

CEE COUNTRY PULSE

FALTERING RECOVERY FOR CEE COUNTRIES

In 2012, in the middle of the recession, the EU11 region expanded by about 1%, albeit at a significantly slower pace vs. 2011. The modest growth was supported by several factors, the most important being the ability of the countries in the region to diversify their export markets thus increasing the exports to non-EU markets; the net FDI flows remained stable, keeping these countries as attractive investment destinations; despite macroeconomic concerns and tight budget envelopes, most governments delivered their public investment programs in support of the economic growth. (Source: www-wds.worldbank.org)

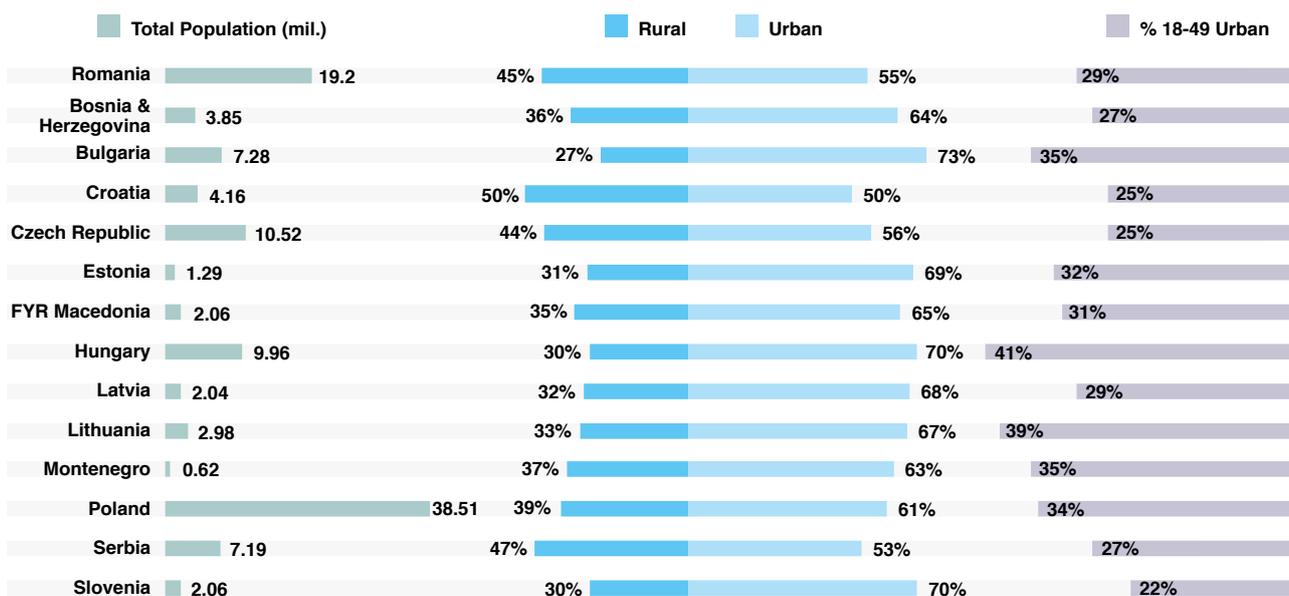
Note: EU11 refers to the 10 European Union (EU) member states—Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Slovak Republic, and Slovenia—and one forthcoming member, Croatia.

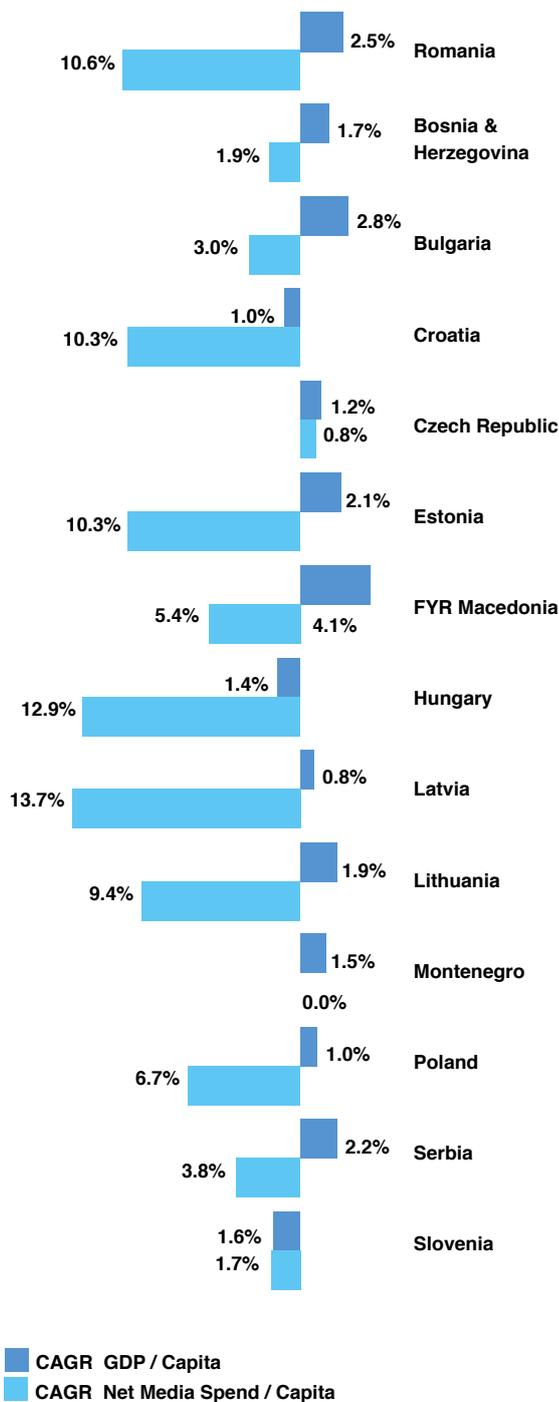
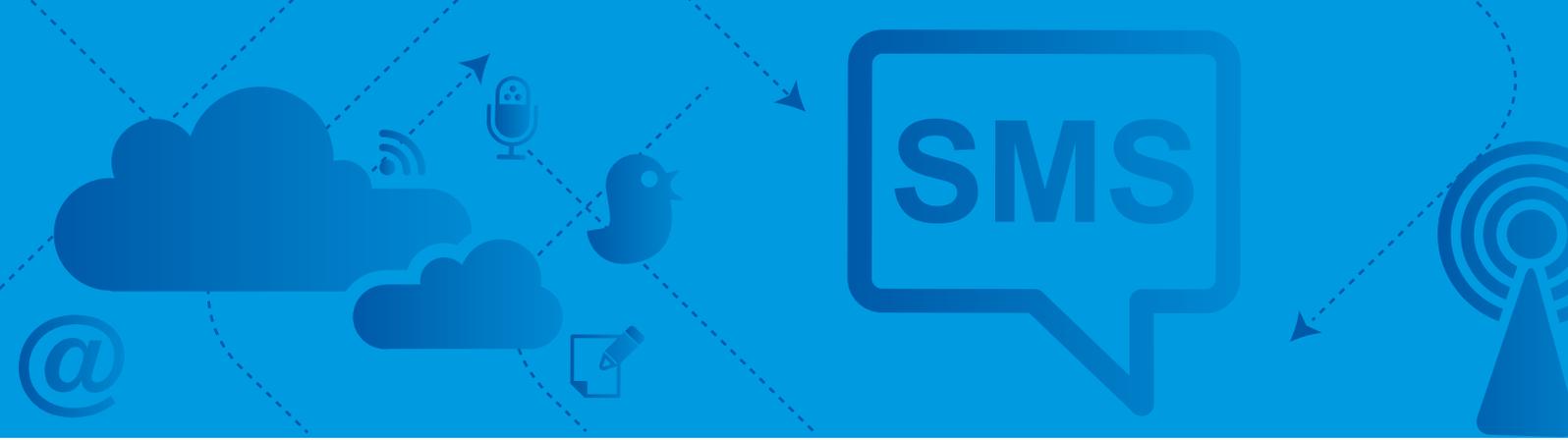
REGION SNAPSHOT

Looking at the demographic profile of the analysed countries, we get quite a heterogeneous picture. On one hand, we have 3 countries which offer opportunities to advertisers by the simple size of their population (over 10 million) – Poland, Romania and the Czech Republic.

On the other hand, we cannot ignore the urbanization level which is a good indicator of the country's economic development and consumption potential. In this case Bulgaria, Slovenia and Hungary have at least 70% of the population living in urban areas.

A third indicator is the proportion of 18-49 urban population, which represents the core consumption potential as it has maximum propensity to be active and income earners. Countries with more than a third of the population being represented by this group are: Hungary, Lithuania, Montenegro and Bulgaria.





GDP / Capita vs. Net Media Spend / Capita (2008 - 2012)
Source: Initiative database

Concerning the economic impact of the recession (indicated by the GDP / capita) and the media market's response to it (indicated by the media spend/capita) the CEE countries display different patterns. This analysis spans the 2008-2012 period and uses the Compound Annual Growth Rate (CAGR) for the GDP/capita and media spend/capita.

One such pattern is represented by countries like Romania, Latvia or Lithuania which, despite the overall positive CAGR for the GDP/capita, had a highly negative CAGR of the advertising investments. This corresponds to an evolution where the initial strong drop in the GDP/capita was followed by a recovery and increase in the last two years while the media spend/capita continued to sink.

Because advertisers were cautious in regards to budgets, we see a very disproportionate impact of the recession upon the media industry. In the case of Romania, this discrepancy between the evolution of GDP and that of media spend can be explained by the fact that the GDP growth was mostly driven by exports and not by internal consumption.

A different situation goes on in Bulgaria, Serbia, Macedonia and Bosnia & Herzegovina where the two indicators evolved in different directions like in the case of the first cluster, yet with similar amplitudes. This shows a reaction from the advertisers that is contrary to the macro economical trend, yet more balanced.

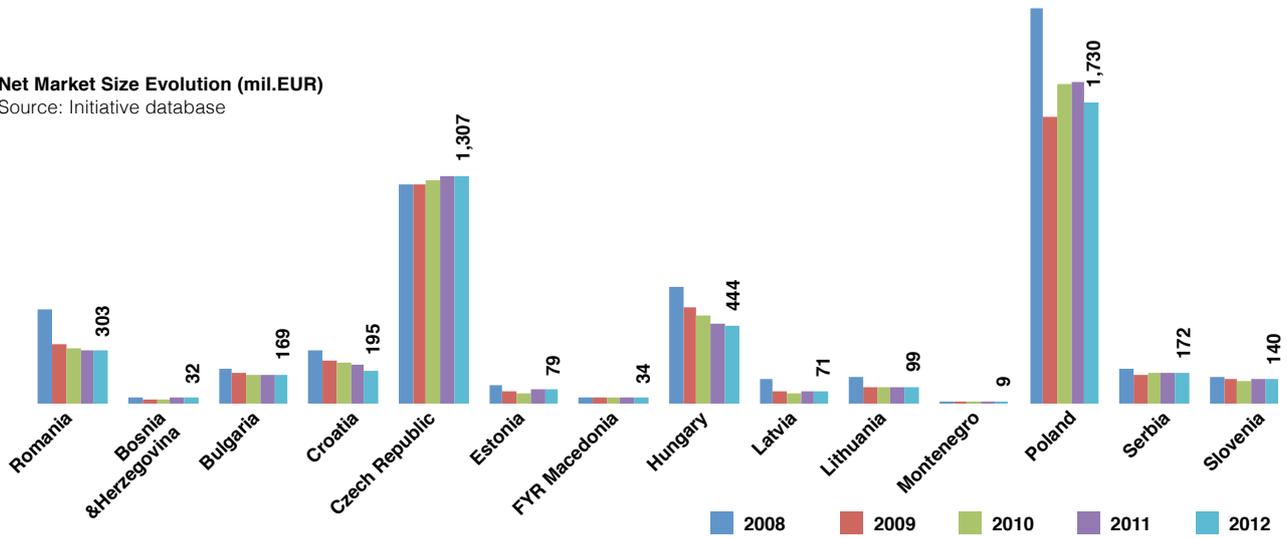
Croatia and Hungary make up the third cluster, where both indicators have negative values, showing a media market response that is in line with the economic evolution, yet the media ad spend holdback was significantly higher. This indicates an over-reactive response from the advertisers in relation with the crisis.

The fourth and last cluster contains countries like the Czech Republic or Slovenia where the advertising market reaction to the crisis was the most balanced.

The CEE media market is dominated by Poland and the Czech Republic with media spends between 1.3 and 1.8 Billion EUR, followed by Hungary and Romania with investments between 300 and 500 million EUR. The smallest market is Montenegro, which is also the smallest country, with 9 million EUR.



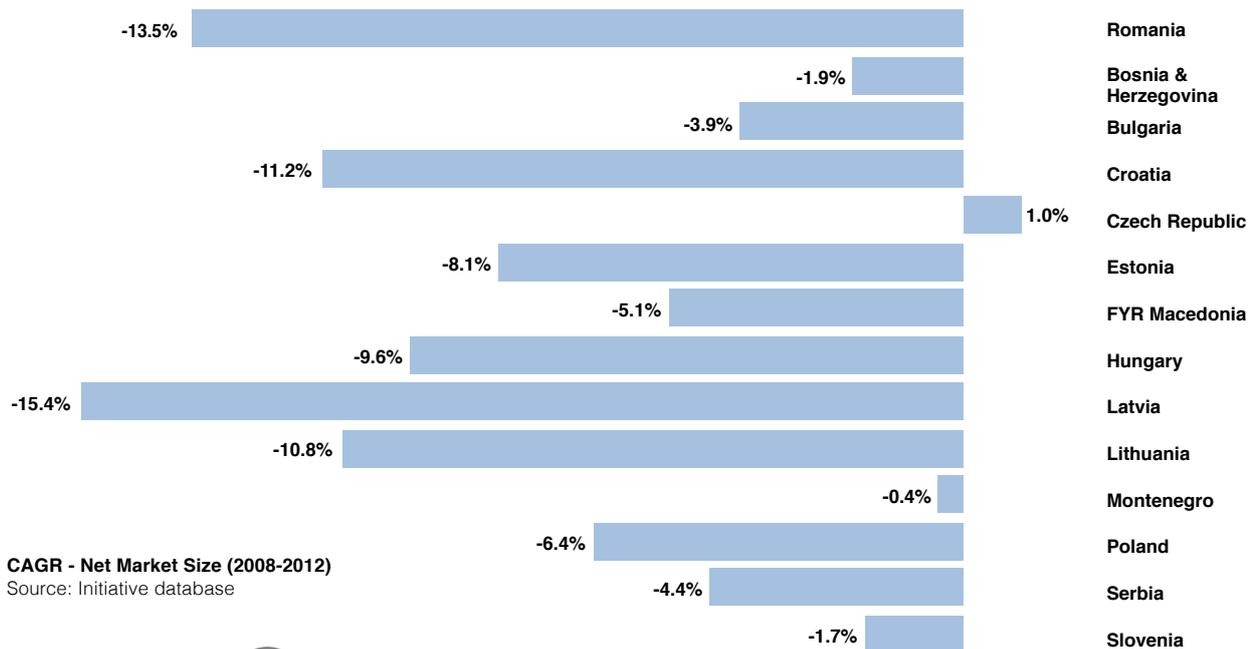
Net Market Size Evolution (mil.EUR)
Source: Initiative database



In terms of evolution, many countries had a drop in ad spend in 2009, followed by marginal decreases in the year to come. Romania, Croatia, Latvia or Hungary are such examples.

In other countries like Bulgaria, Estonia, Lithuania or Slovenia, in the past one or two years, the market has been showing marginal decreases in ad spend from the depression point.

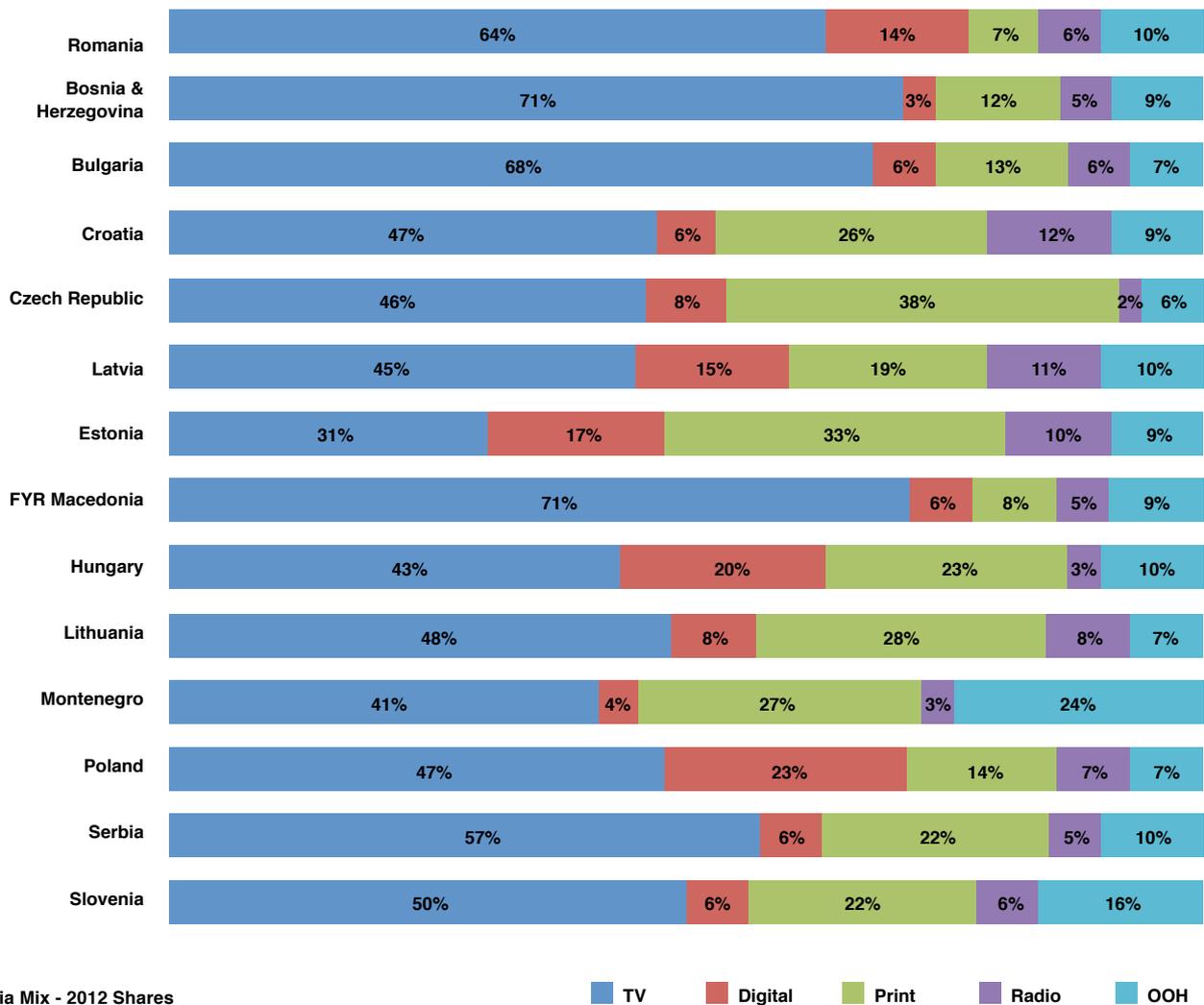
The only exception is the Czech Republic which did not seem to feel the brunt and had a moderate increase in ad spend in the entire 2008-2012 interval. This is also visible in the CAGR for the mentioned period, the Czech Republic being the only country with a positive index.



CAGR - Net Market Size (2008-2012)
Source: Initiative database



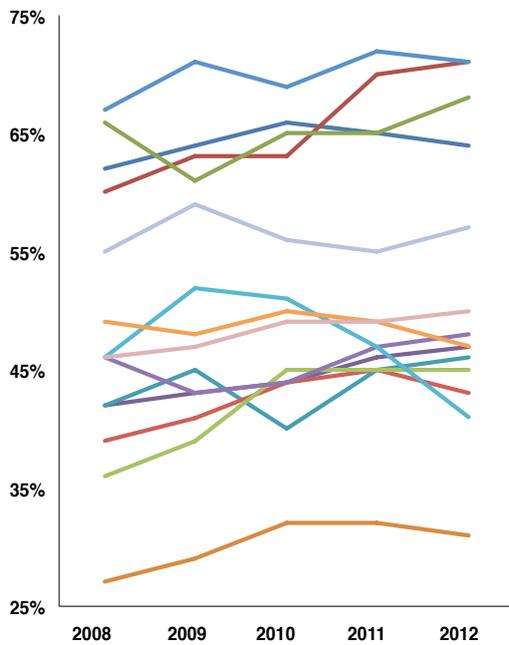
In our view, the media mix structure was impacted by two major factors. First, the recession, which permanently changed the consumer's lifestyle and purchasing habits, also putting pressure on advertisers to reconsider their media mix in order to maintain visibility within smaller investments. Secondly, the Internet boost supported by new and often cheaper technology diversified the amount of digital channels through which the consumer could be reached.



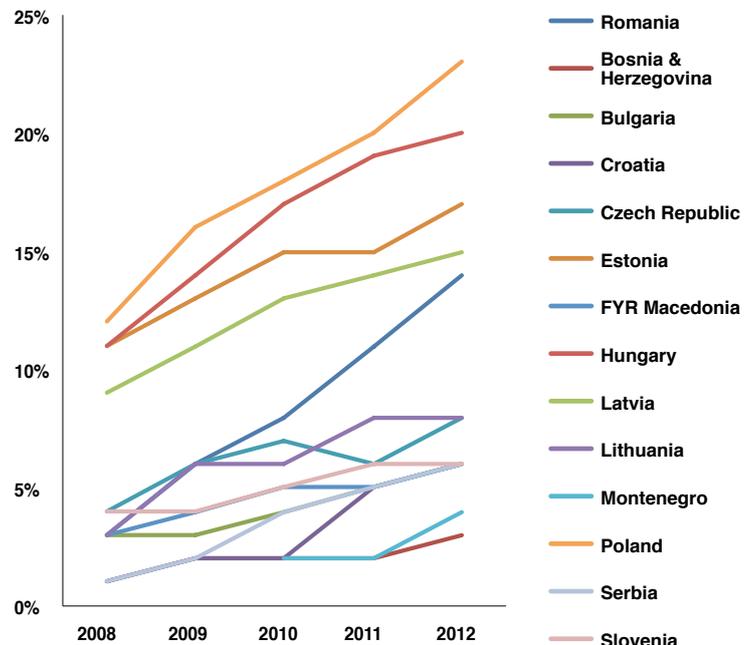


In this respect, while TV's share in the overall media mix remained dominant throughout the region albeit with an erratic trend, Digital's share continued to increase over the past 5 years.

The region is divided into two categories in terms of share of Digital in total ad spend: more than 10% (Poland, Estonia and Latvia, Romania) respectively less than 10% in the rest. Romania registered the most dramatic increase of the digital share, from 3% in 2008 to 14% in 2012.



Media Mix - Evolution of TV Shares



Media Mix - Evolution of Digital Shares

The countries with the highest share of TV spend in 2012 (over 60%) are Macedonia, Bosnia & Herzegovina, Bulgaria and Romania while the smallest share of TV we find in Estonia, Montenegro, Hungary and Latvia (up to 45%).

The largest Digital share we see in Poland, Hungary, Estonia (over 15%). Bosnia & Herzegovina and Montenegro show less development of digital media with less than 5% share.

Although Print was one of the most affected media, it still holds a significant share in countries like The Czech Republic and Estonia with over 30% share.

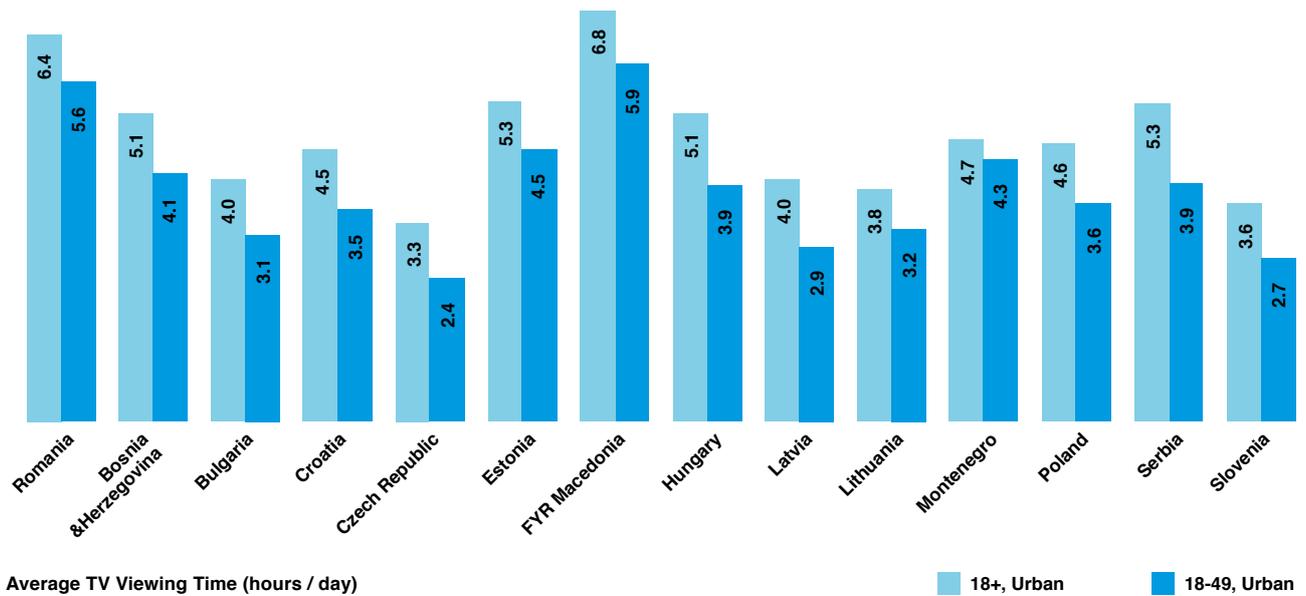




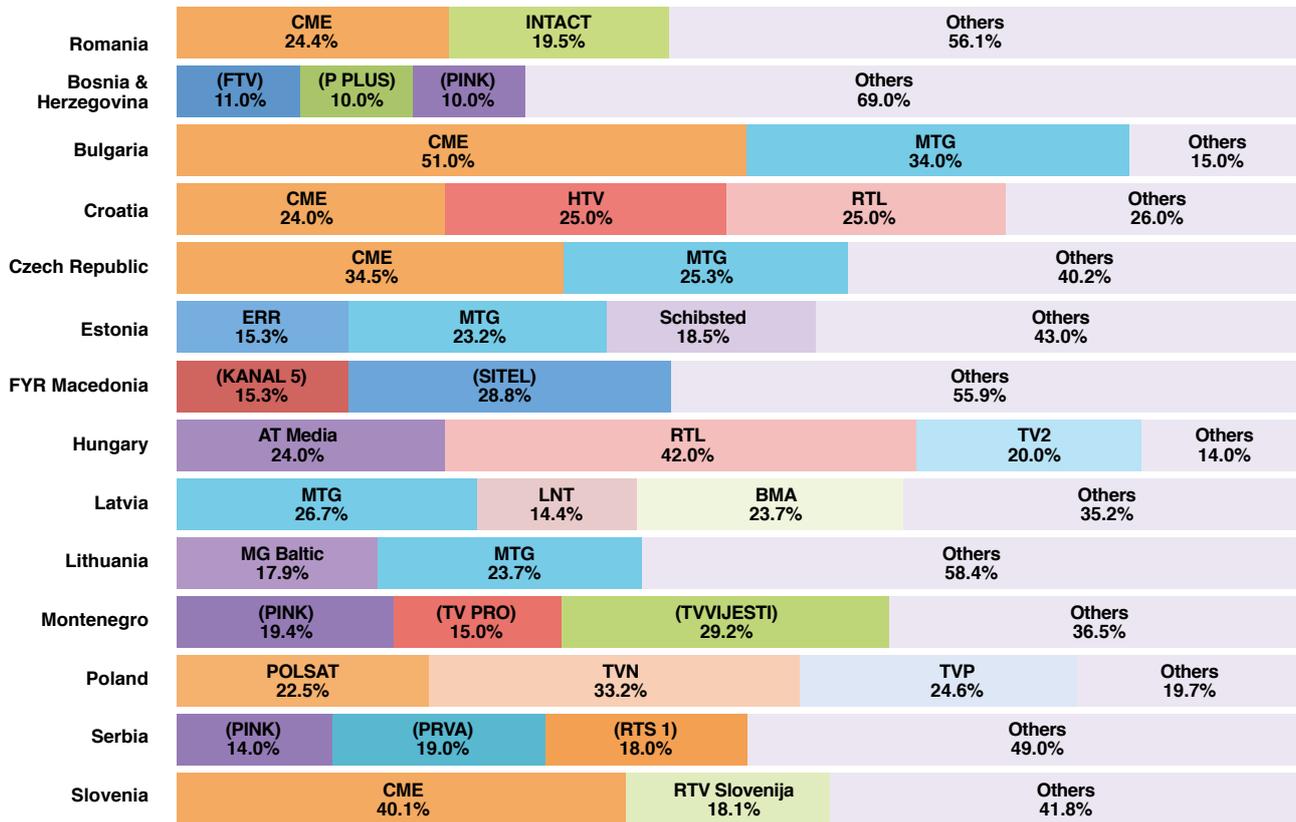
Approximately one quarter of the overall media spend in Montenegro goes to OOH, which makes it an atypical market in the region.

TV dominance is the natural consequence of the high level of average TV viewing times across all countries in the region. At the extremes are Macedonia and Romania, with the highest ATS / day and the Czech Republic and Slovenia with the lowest.

A notable exception is Estonia which, although third in the ATS / day ranking has the lowest TV share in the local market media mix.

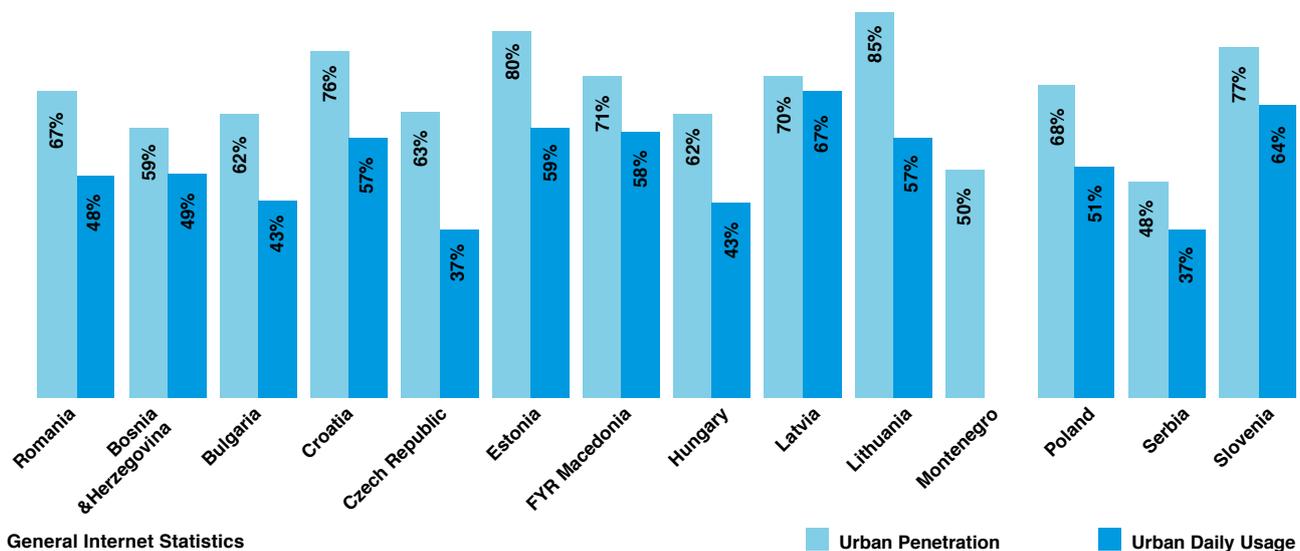


TV audience share analysis by media groups reveals a very heterogeneous map of the region. The market structure vary from highly fragmented markets like Bosnia & Herzegovina, Lithuania and Romania to strongly polarized ones like Bulgaria, Poland, Hungary and Croatia.



TV Audience Share by Groups (18-49 urban)

(names between () represent independent private channels)



General Internet Statistics

Urban Penetration

Urban Daily Usage



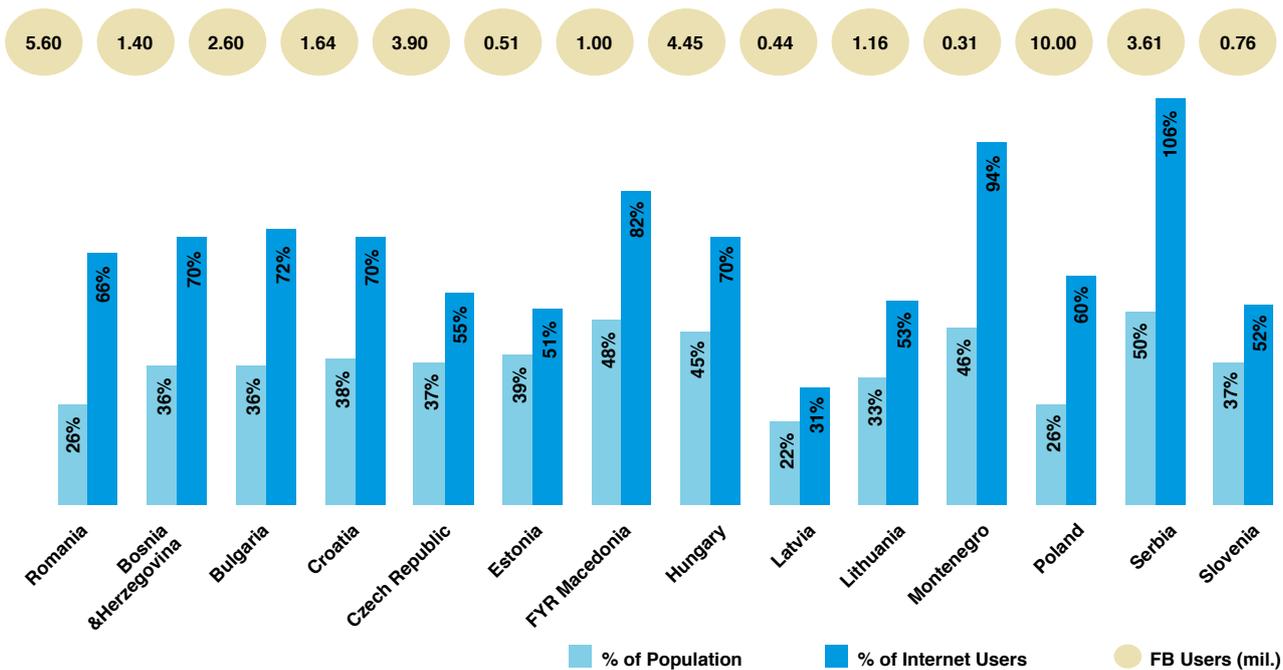
Internet growth during the last years is reflective of a high urban penetration and of increased daily usage across many of the countries in the region, with Lithuania, Estonia and Slovenia at the top.

For most countries, the ratio between daily usage and penetration is about 70%-75% with the notable exceptions of Latvia (95%) and the Czech Republic (58%).

Fuelled by the increase in Internet penetration and usage, Social Networks registered an important increase in number of users over the past years.

Serbia leads with 50% of the total population registered on Facebook and a penetration among Internet users of 106%. The lowest penetration rate is currently in Latvia (22% of total population and 31% of Internet users).

The leading country in terms of number of Facebook accounts is Poland (over 10 million) while the smallest is Montenegro (0.3 million).



PERSPECTIVES FOR 2013

In a volatile external environment, economic growth in the EU11 is expected to vary from under 1 percent in 2012 to 1.3 percent in 2013. However, under increased uncertainty, such modest growths are possible under the assumption that policies adopted in the Euro zone will be implemented successfully to avoid the risk of deterioration of the international financial market.

Nevertheless, given this moderately optimistic outlook over the regional economic context, we expect a stable growth trend in the advertising markets evolution, except for Hungary and Romania which are expected to decrease by 6-8%, respectively 2-3% this year.



Cătălin Păuna
Senior Economist
of the World Bank Office in Romania

ROMANIAN ECONOMIC LANDSCAPE

Economic activity is expected to pick up in 2013, but it will remain relatively subdued over the medium term. In the baseline scenario, GDP growth would reach 1.6 percent in 2013, driven primarily by the gradual recovery of domestic demand, with around half of the pick-up coming from a rebound in the agricultural sector. An above-the-average agricultural year can push growth beyond 1.6% as, in a good year, agriculture alone can contribute 0.7-0.8% to economic activity, but one needs to ponder this with the weakening prospects of the Eurozone. Weak external demand from the rest of the EU, accounting for 70 percent of the Romanian exports, reduced consumer and business confidence and continued low inflows of FDI will limit growth in other sectors, probably with the exception of the automotive sector, which is expected to enjoy a further good export year. The absorption of EU funds, at just 12 percent of the 2007–13 available financial envelope in March 2013, is expected to continue to pick-up through the year, giving the high commitment rates for all the operational programs, helping growth. Increases in public sector wages and pensions at the beginning of 2013 will have a positive impact on the domestic demand and on poverty. With growth advancing at the forecasted level, unemployment is expected to remain rather stationary in 2013, but below the EU average.

Macroeconomic management is expected to remain disciplined in 2013. Fiscal discipline will likely continue to be enforced through expenditure restraint and the budget deficit target agreed with the IMF, of 2.2 percent of GDP, is likely to be met. The government is also taking measures to improve revenue collection through better tax administration and to enhance the performance of the public investment portfolio in order to generate additional fiscal space and improve results.

A good agricultural crop would have a positive impact on food prices, helping also the central bank to bring down inflation towards its end-2013 target of 2.5 +/- 1 percent. However, expected increases in electricity and gas prices, owing to the liberalization of the markets for energy, will continue to generate inflationary pressures, which have to be managed through an appropriate monetary policy conduct. In the context of the weak domestic demand and low capital inflows, the current account deficit will stabilize at the current levels of 3.5 – 4.0 percent of GDP.

The banking sector remains well capitalized, but continues to face pressures on asset quality and is vulnerable to adverse developments in the Eurozone. Deleveraging pressures are moderate by regional standards, with parent funding declining about 14 percent in 2012, and bank capitalization remains strong. The need to provision for the continued rise in non-performing loans, which reached 19.3 percent at end-February, has led to a banking system loss in 2012 and will continue to affect the balance-sheets of the banks in 2013 and beyond, though with variations from bank to bank.

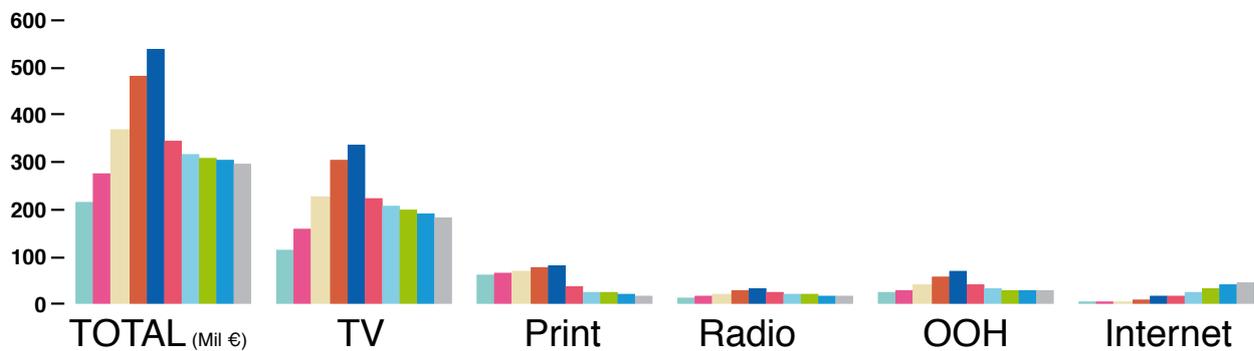
The economic outlook entails downside risks, particularly in the short run. A protracted recession in the Eurozone will undermine Romania's growth prospects, and of the region as a whole, and financial sector uncertainties or turbulences in a Eurozone member would have negative contagion effects, impacting on Romania's exports and putting pressure on the currency and banking sector. The April 2013 IMF World Economic Outlook (WEO) forecasts that the Eurozone will contract by 0.3% of GDP this year, with France (-0.1%), Spain (-1.6%) and Italy (-1.5%) into negative territory. The outlook of the Eurozone has worsened from a positive 0.2% projected by the IMF in October 2012.

An increase in growth to above 2.5 -3 percent over the medium term, needed to catch up with the rest of the EU, will require increased infrastructure and private investment, including from a gradual improvement in the absorption of EU Structural and Cohesion Funds. Private sector investment can be attracted, notably in the energy, manufacturing, and IT sectors, if structural reforms continue to improve the Romanian investment climate.

SMS MEDIA MARKET

OVERVIEW

After a couple of years with significant contraction, in 2011 the media market registered a smaller decrease (-2%), which was the case also in 2012, while in 2013 the contraction is expected not to exceed -3%.



Year	TOTAL (Mil €)	TV	Print	Radio	OOH	Internet
2004	216	113	62	14	25	2
2005	277	159	66	17	31	4
2006	369	229	71	23	40	6
2007	482	306	79	30	58	9
2008	540	337	82	35	70	16
2009	345	222	37	25	42	19
2010	316	209	26	21	33	26
2011	309	200	24	20	31	34
2012	303	193	22	19	29	41
2013 est	295	183	19	19	28	46

Total net Ad-spend by medium (Mil €) - Estimation

All media was affected decreased except for Online (+21% vs. 2011) which continued to grow, although at a slower pace compared to previous years. Online growth was fueled mainly by SEM and Facebook.

Print was the most affected medium, dropping 10% vs. 2011, followed by Radio (-8%), OOH (-5%) and TV (-4%).

All off-line media lost share in 2012 in favor of Online which continues to consolidate its 2nd place, with 14% market share.



MARKET ANALYSIS

In a country with traditionally high TV viewing (average time spent viewing of 5.6 Hours/day for 18-49 urban population) and with 58 monitored, active TV stations, TV is still the most powerful media channel, with an estimated 64% share of total market.

2012 registered a more stable TV market with no significant changes: the same two major media groups (MPI & Intact) dominate a highly fragmented market and attract some 77% of the total TV investment, a significantly higher money share vs. their cumulated 43% audience share - a ratio of 1.8 investments share-points for every 1 audience share-point (18-49 urban during 07:00-26:00).

In the context of increasing audience and a drop in the overall TV sell-out rate compared to the previous year (68% vs. 76%), the TV market continued the price deflation (8% vs 6% in 2011). Overall, in 2012 the total TV inventory sold (GRP30) achieved +4% vs. 2011, but was quite oscillating by quarters, Q3 2012 registering the higher demand (+14% vs. Q3 2011).

In 2012 Internet advertising continued its dynamic trend and was driven by the explosive growth of performance channels such as Google (AdWords) and Facebook. The volume growth was generated not only by the advertisers' increased interest in using these channels, but also by the diversification of the available formats.

In June 2012 Romania registered 9.6 million internet users, the Internet penetration reaching 50.5% (source: internetworldstats.com). People start buying more online to save time, the online banking services usage is growing given the strong push in communication banks have made in support of their online services.

Currently, the smartphone penetration in Romania is of approximately 15-20%. This context creates an increasing interest from brands in other mobile communication solutions beyond SMS – mobile websites and apps, QR codes and even newer technology.

In 2012 Print continued to take the brunt, as the general tendency to read news online and search for thematic content on the internet was growing constantly. Already on a downward trend, the number of sold copies dropped by another 5-7%. Following consumer's lifestyle trend, advertisers redirected part of their investment towards more dynamic media channels, while the main publishers tried to keep up through integrated print & online packages, through events and DVD and book inserts in most issues. Despite all this effort, 2012 was the year when several publications were closed.

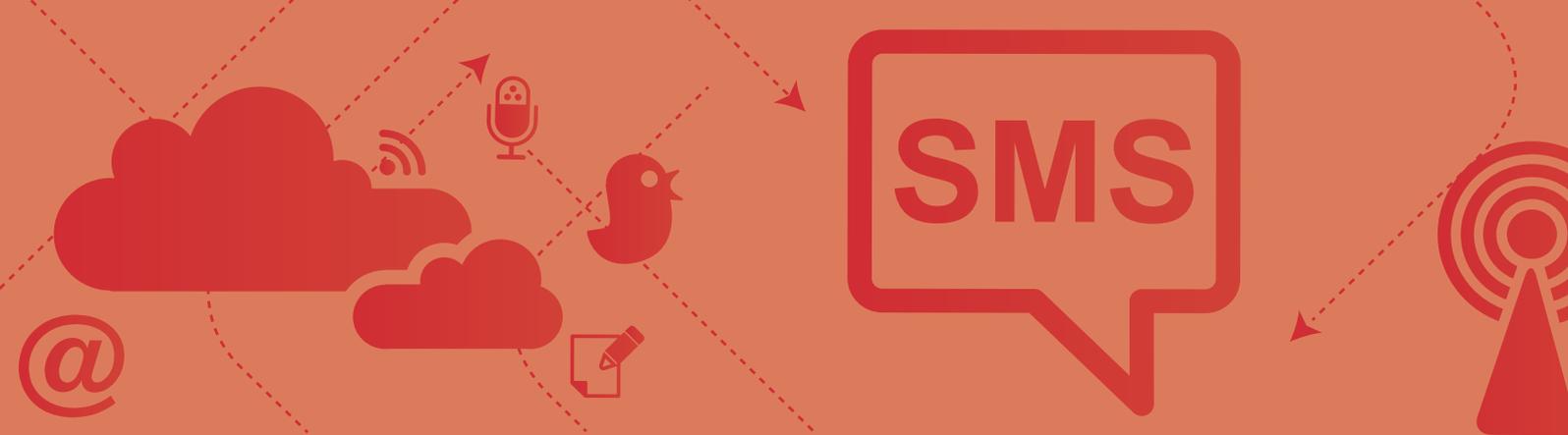
Radio dropped more than expected in 2012, losing ad revenue in favor of online and social platforms. As usual, the most active radio stations tried to keep their position through strong marketing activities like contests, events sponsorship and special summer or Christmas editions.

Nevertheless, radio holds a good potential as a media channel that enables brands to connect easily with active population segments: over 10% of the urban 11+ population listen radio on the internet during weekdays, 7.3% of them listen through a mobile phone or a media player while 34.3% listen to the radio in the car (vs. only 22.1% in 2011). Source: MasoR/ARA.

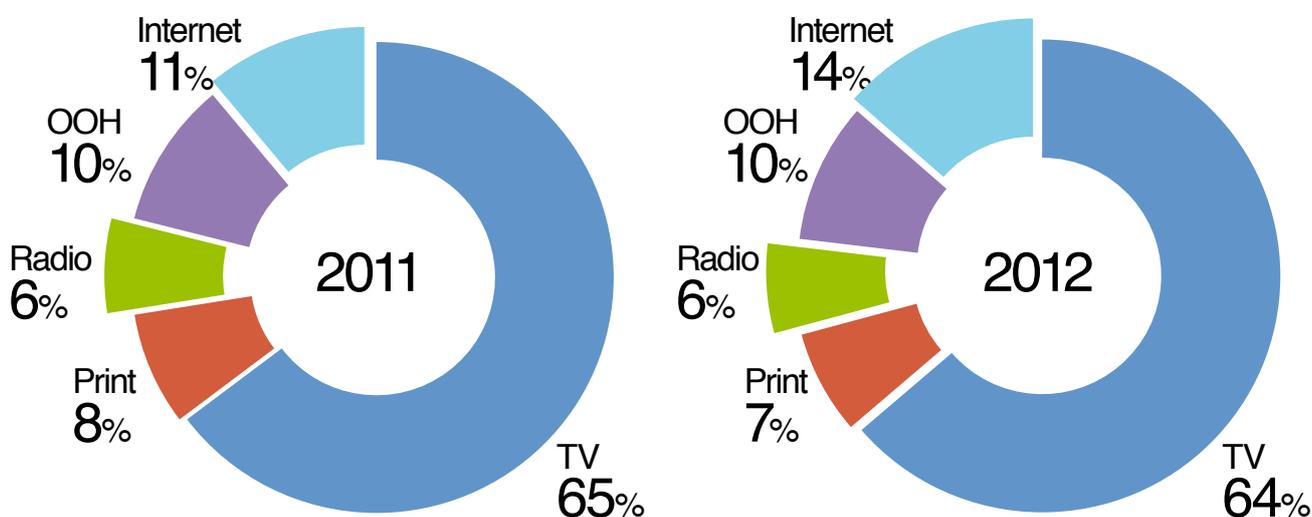
For OOH advertising, 2012 has been an election year, which brought a little more spend. Based on Initiative estimates, the top 4 vendors account for nearly 66% of the OOH market.

In 2012 BRAT, with the support of all major OOH suppliers and some 10 media agencies, launched the monitoring system in April.





The Cinema market in Romania continued to grow especially due to new multiplex openings but the price of ticket remained flat vs. 2011.



Market share in 2011 & 2012 (net ad-spend by medium)
Source: Initiative database

TOP INVESTORS

“Mobile telecommunications services” remained the strongest category in terms of ad investment in 2012 as in 2011.

“Cosmetics, Hygienic & Hair Care” had increased significantly, raising to 2nd place in the top of categories, especially due to higher investments from Unilever and GSK.

“Medical & optical products & services” dropped one position in the top although it had comparable investment to 2011, being supported by strong investors like Catena, Bayer, Walmark, Sanofi-Avensis.

The Retail sector was characterized by the strong activity of Lidl, especially on TV, while Beer category growth was supported especially by promoting premium brands as well as specialties.

In the “chocolate confectionery” category Ferrero remained the main investor, although with a lower budget vs. 2011, while Danone dominated in “Milk products” category, as expected.



Top 10 categories 2012 – all media (TV, Press, Radio) – estimated net budget
 Source: Initiative database

PERSPECTIVES FOR 2013

According to Initiative's estimate, in 2013 the total net media market will decrease by 2-3%.

Online (+12%) will be the only media channel with positive trend, while TV (-5%), OOH (-4%) and Print (-10%) will continue decreasing in 2013.

TV is expected to drop its share of the total net market to 62%; Print and Radio will keep their respective shares, while OOH will drop marginally to 9% (from 10% in 2011). Internet is expected to grow from 14% to 16%.

Main TV stations will continue to invest in "talent shows", as they prove to be the most successful type of programs besides football.

Print and Radio will continue to develop more integrated projects with digital component, aiming to exploit new ways to secure their revenues.

Digital media will focus more on content, as it provides 'fuel' for social media and a key driver for consumer's experience with the brand. Video is expected to grow significantly, being strongly supported by the launch of Youtube.ro in the first half of 2013. Video will not only become a must-have campaign component, but the integration with off-line video communication (TV ads) will become more effective.



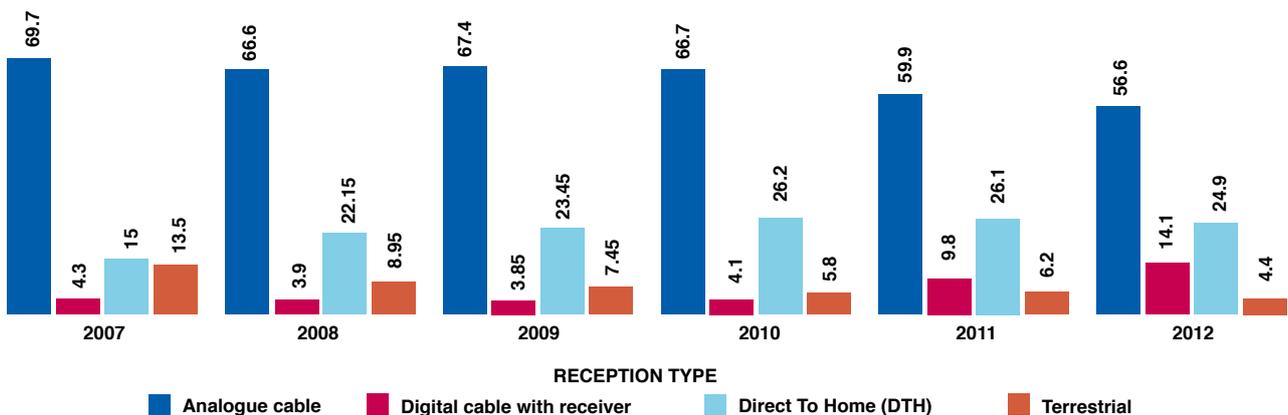
OVERVIEW

In Romania, Television is still the most powerful media channel, despite the descending trend registered since 2009 and the advent of internet during the same period, as our country is in the European top in terms of TV viewing, with an avg. of 5.6 hours /day (18-49 urban, source Kantar Media).

The premises about this media channel are continuously changing not only in terms of audience measurement (Kantar Media Romania since January 2012), but also in terms of the number of monitored TV stations and of the reception type. At the end of 2012, 58 TV channels were reported by Kantar Media, same as in 2011 but more vs. 52 in 2009 and 50 in 2010.

Romania TV, TV H2.0, GIGA TV, Hit Music, Acasa Gold, Look TV, Transilvania Live and Paprika TV are the newest stations registered for monitoring in 2012, while VH1, TVR3, TVR Cultural and Movies 24 were outed from the study.

The reception structure reflected a significant increase in digital cable with receiver due to the continuous replacing of analogue cable. Direct-to-home (DTH) and terrestrial platforms decreased vs. previous year.



Source: Kantar Media Romania

In 2012 the TV market was characterized by several changes compared to previous year: a higher deflation (8 % versus 6% in 2011), a lower all-day loading throughout the year (68% vs. 76% in 2011), except the low season months of January, February and August. Overall, the total TV audience showed an increasing trend compared to 2011.

The total demand led the GRP30" inventory sold at a higher level, so by end of 2012, the TV market registered an increase of 4% in GRP30" sold. If Q3 was by far the best vs. 2011, (+14%), Q1 and Q4 registered modest growth (+3%), while Q2 proved to be the weakest with a decrease of 1%.

The TV cost deflation caused the CPT to drop to an avg. of €2.3 for 18-49 urban while remaining flat for All urban target (€1.1). This is due to changes in the demographic structure of the panel which concentrates a higher 18-49, urban population. Thus the whole TV market continued to drop by 4% vs. 2011 to 193 mil EUR, following the general media market trend, and lost 1% share in total net media market (64% vs. 65% in 2011).

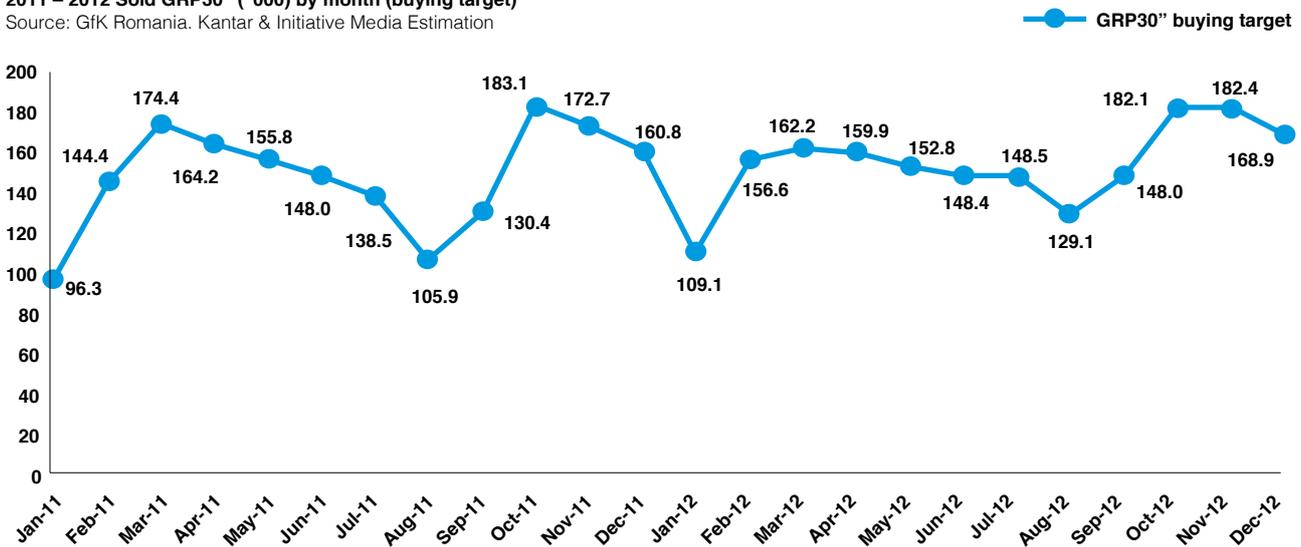
MPI/CME managed to achieve a similar budget share, slightly above 51%, with a higher weight on PRO TV thus keeping its leading position. Meanwhile, INTACT had increased its share to nearly 27%, Kanal D exceeded 5% budget share and SBS Broadcasting (Prima TV & Kiss TV) is slightly above 6%. All this happened to the expense of the other TV stations.

YEARS	2005	2006	2007	2008	2009	2010	2011	2012
Buying target GRP30" (000) sold	1500	1600	1700	1600	1463	1745	1774	1848
Shr % of TV monitored (% all 18-49 urban)	82%	84%	84%	84%	86%	88%	92%	85%
Inventory sold % minutes	57%	66%	72%	68%	64%	76%	76%	68%

The total GRP30" sold by TV stations in 2012 was 1.85 million, of which 37% was sold by CME, 27% by INTACT, 8% by Kanal D, 6% by ProSieben (Prima TV+ Kiss TV), 4% by SRTV (TVR1+TVR2) and 3.6% by RealitateaTV.

2011 – 2012 Sold GRP30" ("000) by month (buying target)

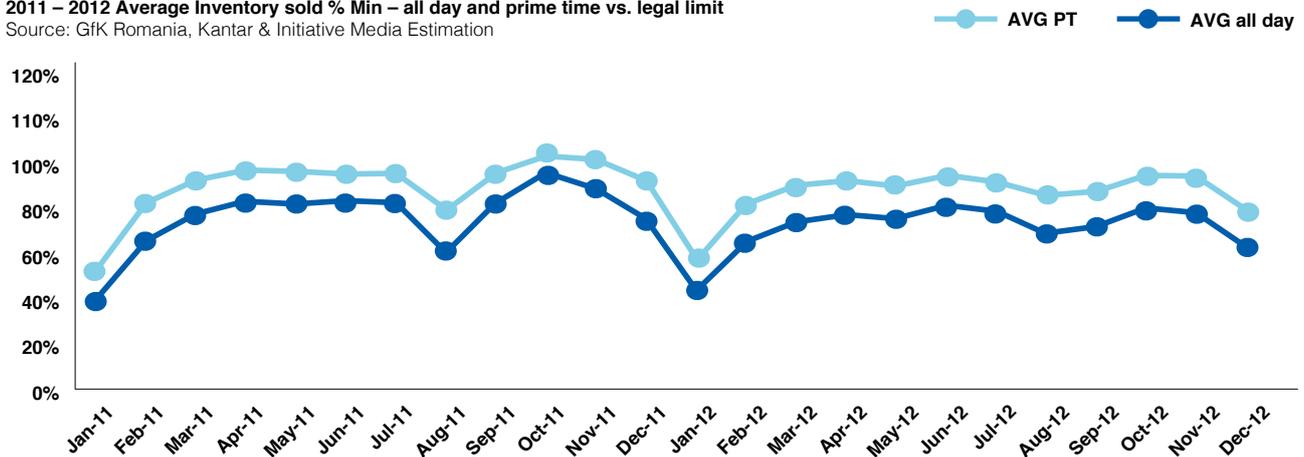
Source: GfK Romania, Kantar & Initiative Media Estimation



The sell out rate decreased to 68% vs. 76% in 2011, with a loading level very close to the legal limit in Prime Time during October and November.

2011 – 2012 Average Inventory sold % Min – all day and prime time vs. legal limit

Source: GfK Romania, Kantar & Initiative Media Estimation



CHANNELS PROFILE

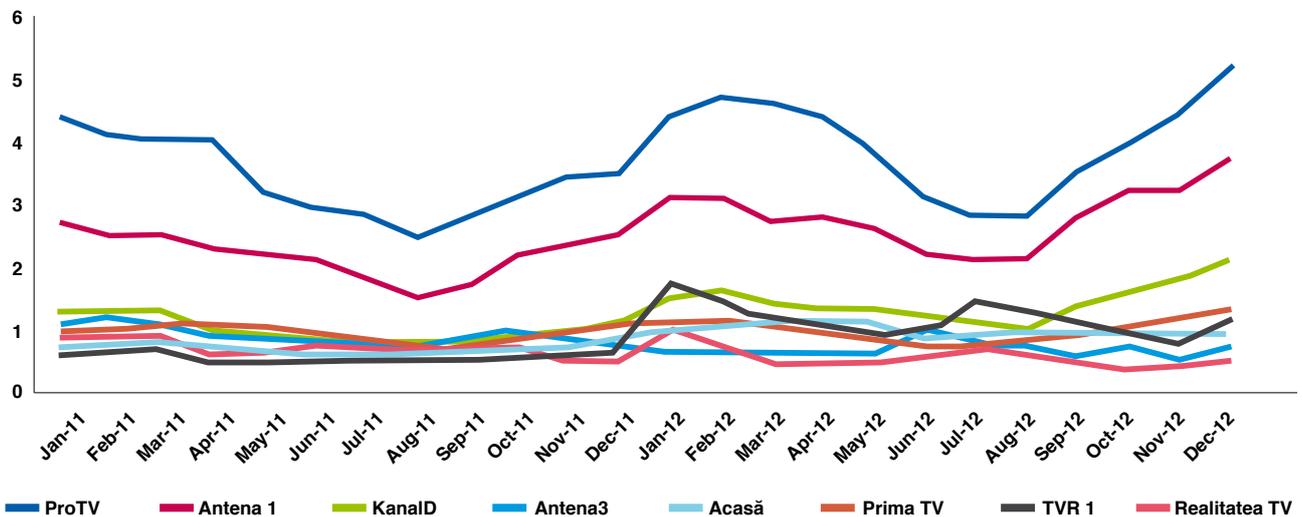
In 2012 ProTV kept its leading position (Rtg 4%, Shr 17.2% all 18-49 urban) as in 2011, followed by Antena 1 (Rtg 2.8%, Shr 12.1%) and Kanal D (Rtg 1.5%, Shr 6.3%). Antena 3 grew and got the 4th place (Rtg 1.1%, Shr 4.8%). Comparable performance for Acasa TV (Rtg 1%, Shr 4.2%) and Prima TV (Rtg 1%, Shr 4.1%), while TVR1 (Rtg 0.6%, Shr 2.6%) and Realitatea TV (Rtg 0.6%, Shr 2.6%) dropped. National TV reflected similar audience with Realitatea: Rtg 0.6%, Shr 2.6% as it happens for Disney and B1 TV: Rtg 0.4% and Shr 1.7%.

The main TV channels reflected an increasing trend (except for Realitatea TV & TVR1) but Antena 3, Kanal D and Antena 1 registered significant higher performance than in 2011.

The talent shows successfully introduced in 2011 continued in 2012 with new successful editions of "Romanians Got Talent", "The Voice of Romania" on Pro TV and "X Factor" on Antena 1. New shows were launched to relative success such as "Masterchef" on Pro TV, respectively "Te cunosc de undeva?" & "Top Chef" on Antena 1.

Monthly Dynamic - Time Bands Analysis (Rtg%, All 18-49 urban - top channels, 07:00-26:00)

Source: GfK Romania, Kantar Media Romania



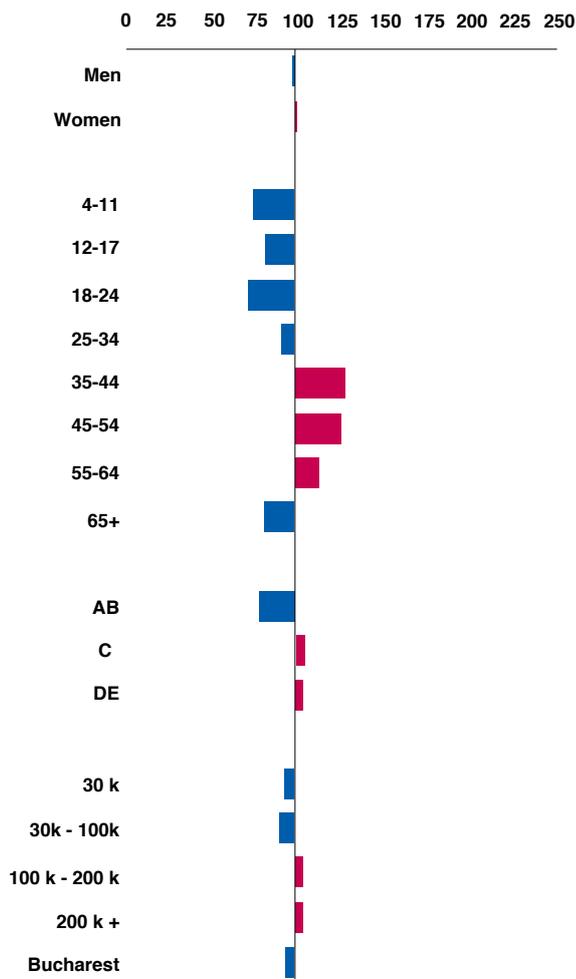
In 2012, the top 10 TV stations cumulated 59% of the total audience share on 18-49 urban vs. 62% in 2011. In decreasing order of their rating on the 18-49 urban target, the profiles of the main TV station are as follows:



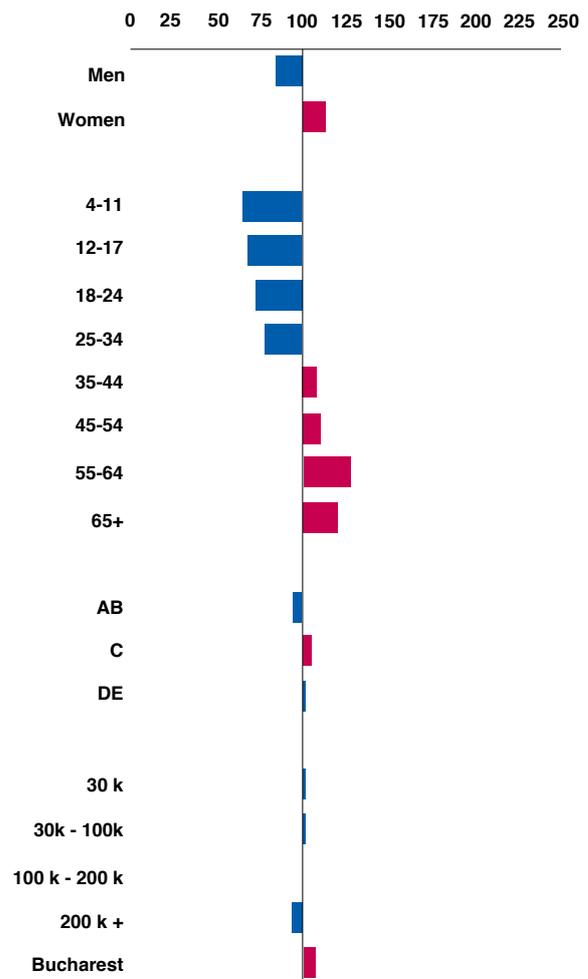
Pro TV is the leading TV station in 2012. According to Kantar Media Romania, the top program preferences were: “Romanians Got Talent”, most successful local production (20.8% Rtg all 18-49 urban), “Masterchef” (13.5% Rtg all 18-49 urban) and “The Voice of Romania” (12% Rtg all 18-49 urban). Among these talent shows, football remained viewers’ favorites: “Europa League” reached 14.9% Rtg.

Antena 1 top audiences programs were football transmissions like “Preliminary of World Championship” (15.2% Rtg all 15-54 urban) and New Year’s broadcast like “Chef cu Nae si Vasile” (11.5% Rtg all 15-54 urban). The Final of “X-Factor” reached 9.2% Rtg all 15-54 urban.

ProTV - Audience profile
TgAfin. %



Antena 1 - Audience profile
TgAfin. %



Source: Kantar Media Romania

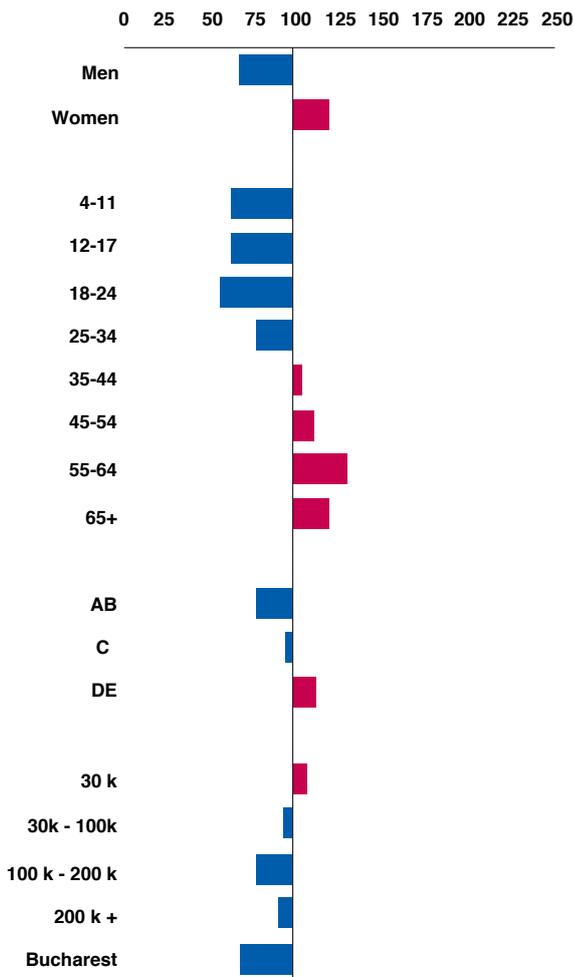




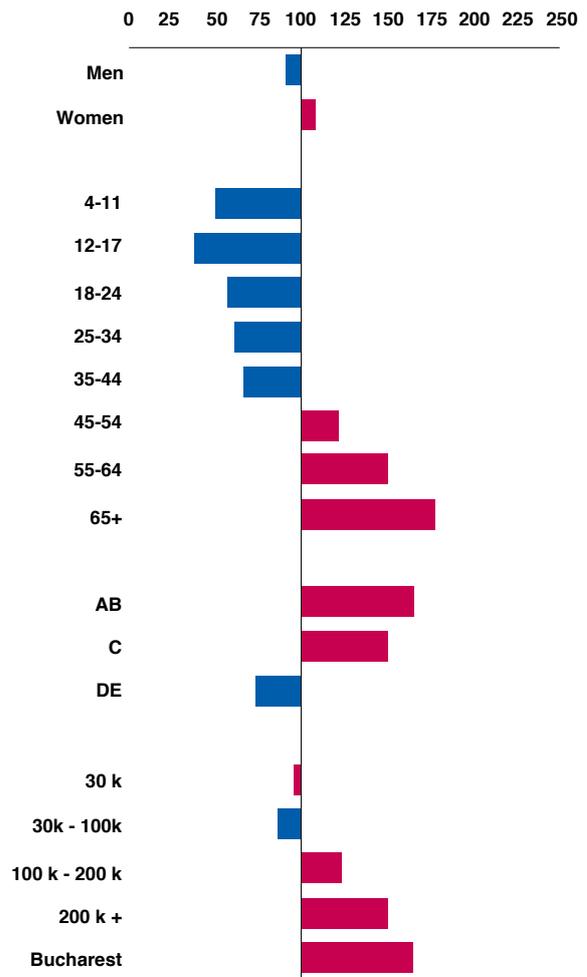
Kanal D reached 3rd place in top audience against the 18-49 urban target with its tremendously successful Turkish soap operas. "Suleyman magnificul" was on 1st place in viewing preferences, with 6.6% Rtg on 18-49 urban. The contest show "Roata Norocului" (3.3% Rtg on 18-49 urban) goes up in top, over "Vrei sa fii milionar?" (2.1% Rtg on 18-49 urban).

Antena 3 grew compared to 2011, ranking 4th in top 10 TV stations, and became leader in top News TV channels. Talk-show "Sinteza zilei" and the evening editions of "News 19" have identical audiences: 4.7% Rtg all 18+ urban. "Subiectiv" (3.6% Rtg all 18+ urban) and "La ordinea zilei" (3.5% Rtg all 18+ urban) follow in top preferences.

Kanal D- Audience profile
TgAfin. %



Antena 3 - Audience profile
TgAfin. %



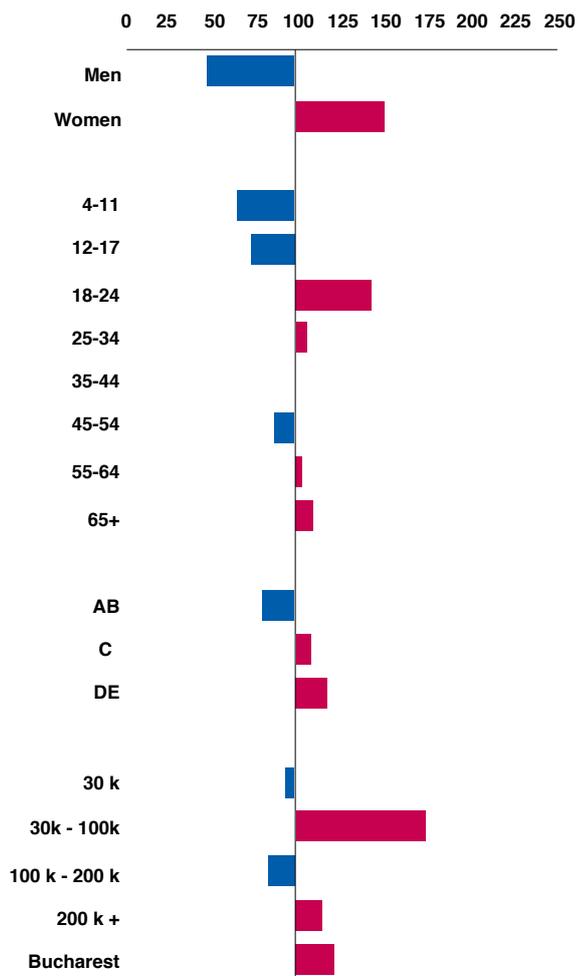
Source: Kantar Media Romania



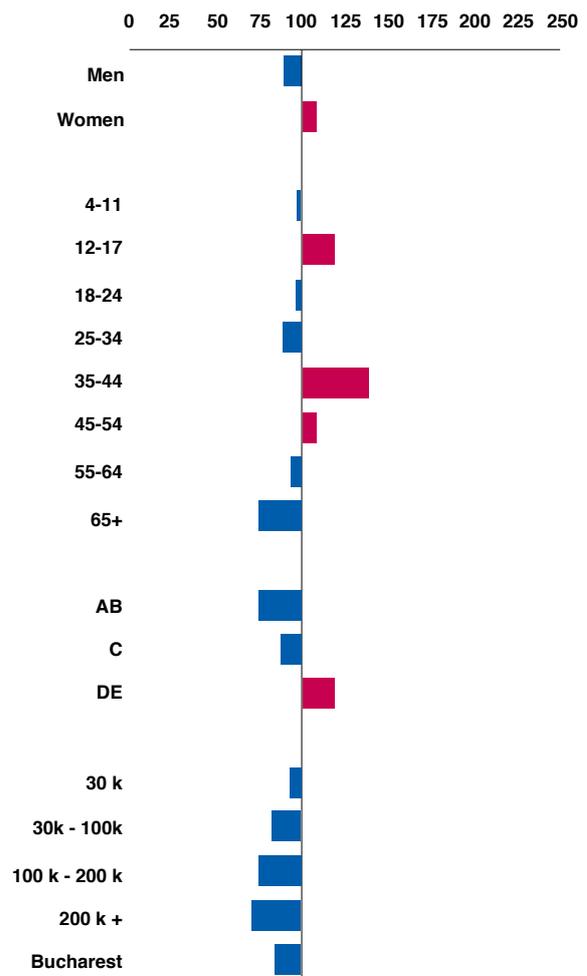
Acasa TV, on 5th place, broadcasted top audience soap operas such as: “Triumful dragostei” (6.1% Rtg Women 15-49 urban), “Eva Luna” (4.9% Rtg Women 15-49 urban), “Forta destinului” (4.6% Rtg Women 15-49 urban) and “Emperatriz” (4% Rtg Women 15-49 urban).

Prima TV ranks 6th on the 18-49 urban target with local productions and reality shows like “Schimb de mame” (3.6% Rtg all 18-49 urban), “Cronica Carcotasilor” (3.5% Rtg all 18-49 urban), “Trasnitii” (2.8% Rtg all 18-49 urban) and “Copii spun lucruri trasnite” (2.5% Rtg all 18-49 urban).

Acasa TV - Audience profile
TgAfin. %



Prima TV - Audience profile
TgAfin. %



Source: Kantar Media Romania

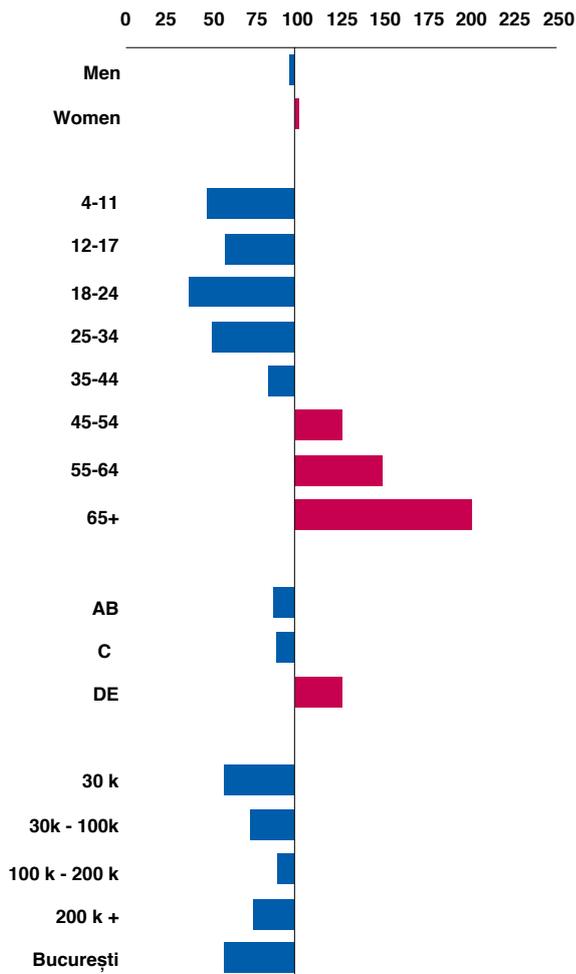


SMS

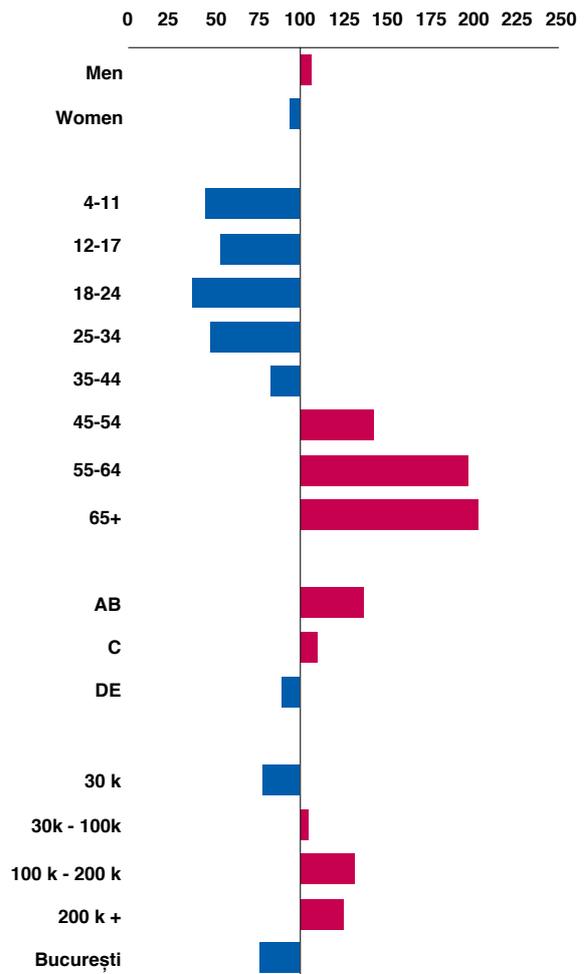
TVR 1 is the main public channel. The national television is also the only channel broadcasting Eurovision every year. 2012 edition reached 3.6% Rtg on 18+ urban, following “World championship - preliminary” (17.7% Rtg on 18+ urban) the program with the highest audience. News program “Telejurnal 13” (3.6% Rtg on 18+ urban) and TV series “God of war” (3% Rtg on 18+ urban) were other viewers’ choices.

Realitatea TV lost the leading position in top news channels in favor of Antena 3. Top most viewed programs were dominated by “Saptamana de vreme” (1.4% Rtg on 18+ urban), “Vremea Prime Time News” (1.2% Rtg on 18+ urban) and daytime broadcasts like “Realitatea de la ora 15” (1.1% Rtg on 18+ urban).

TVR 1 - Audience profile
TgAfin. %



Realitatea TV - Audience profile
TgAfin. %



Source: Kantar Media Romania



The main shows in the TV market are continuing this year.

PRO TV repeats the successful Perfect Week consisting of "Pariu cu Viata" aired only in spring (in autumn will be moved to Acasa TV in soap - opera format), "Masterchef" aired during spring and the new "Celebrity Masterchef" in autumn, "Serviciul Roman de Comedie" in spring and the new sitcom "Cea mai grea saptamana din viata lui Alex" (the adaptation of the comedy series "The Worst week of my life"), "Las Fierbinti", "Spitalul de Dementa" broadcasted only in spring, "Romanii au Talent", "Dansez pentru tine", "Tanti Florica", "Vocea Romaniei", "Serviti va rog", "Patru nunti si o provocare".

Antena 1 responds with "Plasa de stele", "Money Drop", "Familiada", "Castigi in 60 de secunde", "Te cunosc de undeva", "Top Chef", "Romania Danseaza", "Next Star", "X Factor", "Vedete la apa", "Burlacul", "Un Show Pacatos", "Boomerang".

Kanal D will carry on with "Suleyman Magnificul", "Roata Norocului" and "Crezi ca esti normal?".

Prima TV broadcasts a stable schedule consisting of "Trasnitii", "Cronica Carcotasilor", "Mondenii", "Cireasa de pe tort", "Schimb de mame" and new entries such as "Ajutor", "Familii la rascruce", "Vara Ha, Ha, Ha", "My Man Can".

TVR1 & TVR2 will broadcast sports events such as UCL, European and World Skating Championship, European and World Rhythmic Gymnastics Championship, World Swimming and Polo Championship, Confederation Football Cup, Romanian National Football Team's games in Hungary, Holland and Andora, World Canoeing Championship, European Indoor Athletic Championship, Davis Cup Romania vs Denmark, the Winter Olympic European Festival, National and International Romanian Gymnastic Championships, European Nations Rugby Cup and none the less the International European Music Festival "George Enescu" in September and Eurovision in May in Sweden.

PERSPECTIVES FOR 2013

The ratings were good for most TV channels in the first part of the year. The first quarter revealed a slight growing trend in sold GRP30" and an all-day market loading on decrease vs. 2012. As a consequence of the new Government Ordinance that is in force since Apr 12th, we estimate a market decrease in terms of GRP30" sold and in revenue by the end of this year.

The migration of GRP30" sold from CME to other channels proves that the result of their inflationary sales policy is as expected. CME lost SOV30, to INTACT and others accordingly.

The introduction of the "Super PT" on PRO TV has had an effect on increasing the audience share but at the same time it caused a drop of loading in the Super Prime Time timeslot. Also, the first quarter reveals that the top 3 stations PRO TV, Antena 1 and Kanal D have significantly improved their audience share.

The stations aim to improve the programs quality and the share of audience by continuing to broadcast the already successful yet expensive current shows that are delivering substantial ratings, and also by investing in new programs to keep and attract new viewership.

Provided the stations commitment to increasing quality, we estimate that in 2013 the share of ad revenue generated outside the regular spot placement will increase by attractive special packages of scenario integration, product placements, etc.

As a conclusion, the beginning of 2013 reveals that this year's main focus of the TV stations may be the development of audience share and increasing revenues. Under different circumstances we might have seen the TV market bottoming out in 2013 but with the introduction of the OUG, we estimate another contraction of the TV market by around 5% and a marginal price inflation of 1%.



In April 2012, Paul Miller decided to leave the Internet.

Paul is one of the editors of The Verge, a top online magazine, covering “the intersection of technology, science, art, and culture”. Deeply immersed in his digital world, he felt he had lost contact with real life. “Real life, perhaps” - he mused – “was waiting for me on the other side of the web browser.”

So he spent an entire year offline, using a “dumbphone” instead of a smart one, reading paper books instead of e-paper, visiting friends instead of e-mailing, doing his bank statements at the actual bank. He was expecting a radical change of his view on life, but the epiphany he had quite surprised him: he discovered the internet is, actually, an important part of “real life”.

This seems natural in the US, but what about Eastern Europe? Not surprisingly, the behaviour of hardcore online users is quite similar across the world. Romania stays quite a digitally polarized country, with online users that are always connected, using online services from multiple devices – and others who barely check their e-mails a few times a week.

We have spent years waiting for “digital maturity”; in fact, we need to accept the fact that this is a kind of maturity that will never happen – or that we already reached it. Digital is an everchanging medium: new platforms can reshape the users’ behaviour, new devices may entirely overturn the worldwide market. A digitally mature brand is not necessarily the one that checks off a list of “interactive must-dos”, but the one that is limber enough to surf this unpredictable frame.

OVERVIEW

According to Eurostat, 1 in 2 households in our country has a broadband Internet connection – although Romania has just left the top 10 countries by broadband speed. (7Mbps average broadband speed according to latest Akamai reports, which is half the speed of the top country – South Korea – but still way above the global average of 2.9 Mbps.)

According to internetworldstats.com, in June 2012 there were 9.6 million internet users in Romania, which brings the online penetration at about 50.5% (taking into consideration the unofficial census results of 19 million Romanians living in the country).

In regards to internet usage, 2012 brings no big changes. It's worth remarking that the age group with the biggest internet usage growth is 50+ (24%). Romanians use more and more online shopping and the distrust in online banking is decreasing, due largely to the push the banks have been doing on their online services.



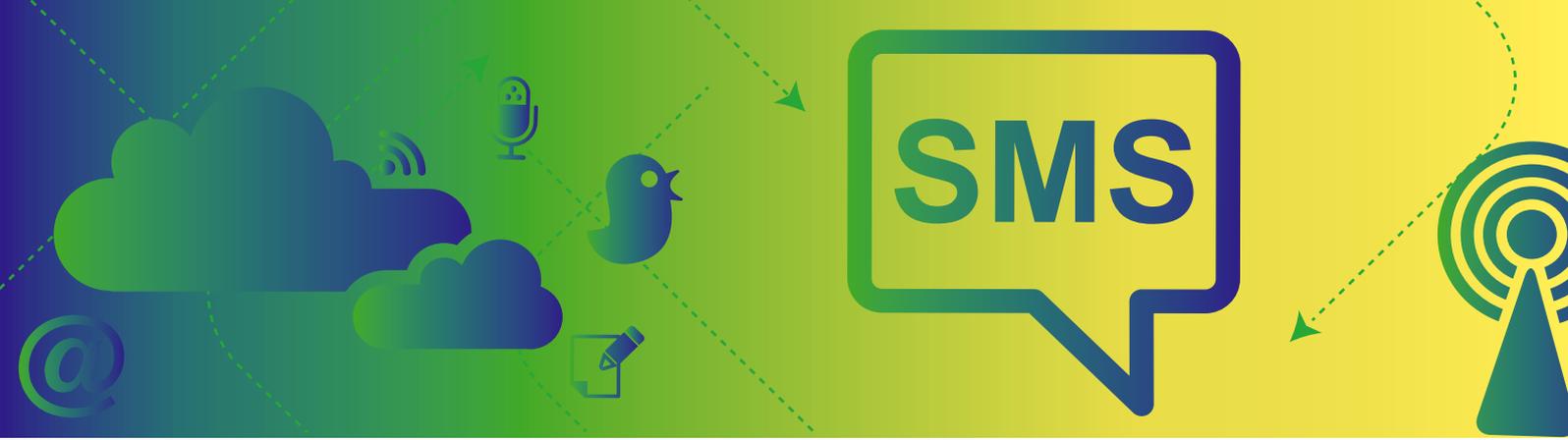
		MAR - AUG 2010	MAR - AUG 2011	MAR - MAI 2011	IUN-AUG 2012	2010/2009	2011/2010	2012/2011
		Percent of audited audience				YOY evolution		
AGE GROUP	14-29y.o.	44.3	43.1	39.4	39.7	-5%	-3%	-8%
	30-49 y.o.	43.3	44.4	44.4	45.3	3%	3%	1%
	50+ y.o.	12.2	12.6	16.2	15	6%	3%	24%
LEVEL OF EDUCATION	Less than 7 grades	0.4	0.5	0.7	0.6	-20%	25%	30%
	Vocational school	9	9	10.7	10.8	13%	0%	19%
	University	34.2	35.2	34.9	34.7	6%	3%	-1%
FREQUENCY OF USAGE INTERNET	Daily or almost daily	87.4	90.2	88.2	88.9	-1%	3%	-2%
	Several times per week	10.4	7.7	9.6	8.7	12%	-26%	19%
	Several times per month	1.4	1.1	1.4	1.4	27%	-21%	27%
BUY ONLINE PRODUCTS /SERVICES	Frequently	7.3	8.5	10.3	10.4	4%	16%	22%
	Sometimes	16.9	8.5	19	18.8	22%	-50%	122%
	Seldom	22.7	20.7	18.6	20	21%	-9%	-7%
ONLINE BANKING	Frequently	8.7	9.2	10.3	9.6	9%	6%	8%
	Sometimes	10	10.7	10.3	10.6	20%	7%	-2%
	Seldom	12.5	12	10.4	10.7	20%	-4%	-12%

While, globally, FB has topped 1 billion users (Sep 2012), on a local level in December 2012, Facebook had reached 5,3 million users (55% penetration among Internet users). Google+ lags way behind, with approximately 370,000 users, more than 70% of them being men. Twitter is even smaller, with roughly 66,000 Romanian users, many of these being companies or accounts with little activity. LinkedIn is on the other hand growing steadily but surely, with around 670 thousand Romanian users at end 2012.

The biggest adoption segment of Facebook is still 25 to 49. But the big growth rate of FB in 2012 was less in number of users than in number of fan pages, reaching around 20,000 at the end of 2012. Top fan pages sport more than 1 million Romanian fans, but no commercial brand.

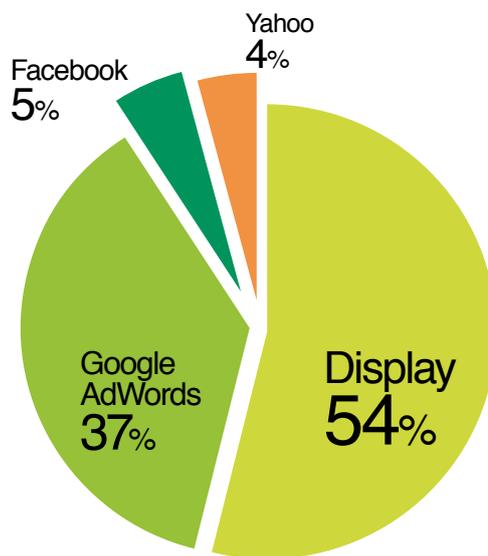
Albeit not a social network, Youtube is one of the top 5 favourite landing pages of Romanians, according to Alexa.com. A Google property, Youtube boasts unofficial traffic numbers of 8.5 million unique Romanian visitors monthly (according to Google local representatives), reaching almost 90% of the country's internet users.

For Yahoo, although the number of Mail or Messenger users has not changed much (5.85, respectively 6.40 million users) the traffic on the localized properties has grown with up to 55%, proving a genuine interest of the users for local quality content – and offering advertisers a significant increase in inventory.



MARKET ANALYSIS

The 2012 digital market meant explosive growth of performance channels, namely Google AdWords and Facebook. The volume growth was driven not only by the advertisers' increasing interest in performance spend, but also by the diversification of available formats.



Digital Market Estimation 2012

For the local suppliers market it was a steady year – the year of consolidation of the digital vendors, with little significant moves. Though the growth rate of display was slower, display became more engaging, with generous formats and special projects.

But with the growth in creativity and visibility, also came a growth in clutter, which leads to the need for a fresh, disruptive approach. At Cannes 2012, an Innocean representative summed up the new industry credo: “we want to stop interrupting what people are in and become what people are interested in.”

This applies from a double perspective. Being now able to access a multitude of targeting criteria, marketers need to assess, from a more elaborate point of view, what is their target really interested in. Even display targeting has gone beyond classical demographics & psychographic used to define affinity. Lead-oriented platforms like real-time bidding engines manage “smart” creatives that are optimized automatically. Marketers make increasingly more efforts for accurate and complex targeting, from classic demographics to more personal information – cookie-based declared and browsing interests, available now for display advertising.

Innovation has been redefined. It's no longer exclusively about visual and interactive; the innovation is now strategic, linking the banner's content with the banner's context, linking the commercial message with the target's physical location and the device they are browsing on, customizing the interaction mechanism depending on the platform where the interaction is taking place. Digital innovation is now a matter of super-personalization, taking into account the exact user and her psychographic details, the moment of the day, the stage of the purchase path, the context and the gadget.

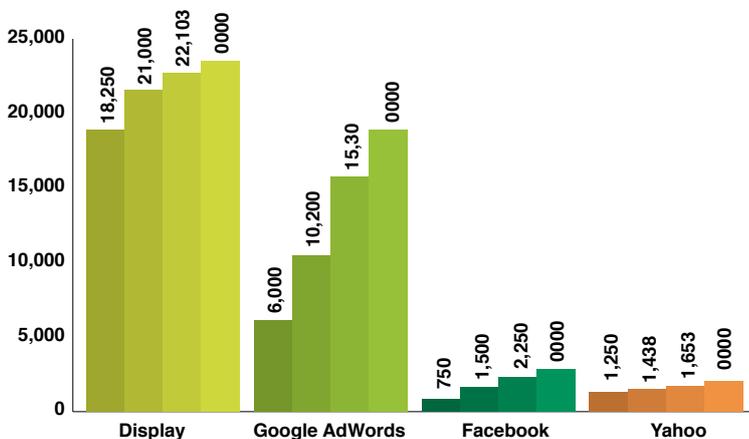


But people are, as always, interested in fun and creativity – and that is where innovative formats and special projects come in. With a huge pressure on costs and unbeatable competition from the strong performance players (Google, Facebook, Yahoo), local players turn to innovation. Standard advertising is losing its value due to a decrease in CPM, but also to the increase in clutter and the resulting banner blindness; special projects (content and graphic) win ground both in terms of users' attention and publishers' revenue.

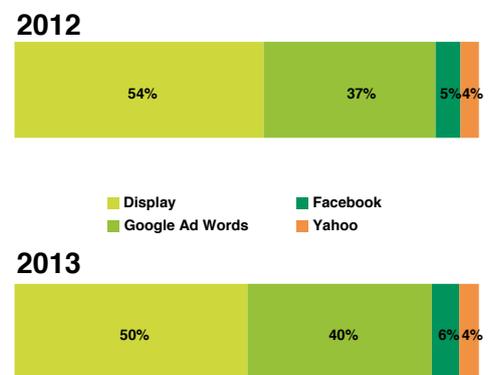
ONLINE ADVERTISING BUDGETS

The IAB-PWC latest official report (2012) shows a 7% increase of the local online advertising market, with a total value of 98.6 million lei. Telecom, Finance and Auto are the industries that invested the most in online. The most widespread formats are the standard embedded ones, while disruptive and sponsored content are the next.

In terms of overall market, for 2012, Initiative estimates a 21% overall market growth, fueled mainly by SEM & Facebook. We believe 46.5% of the market is represented by performance campaigns, while display stands for the rest.



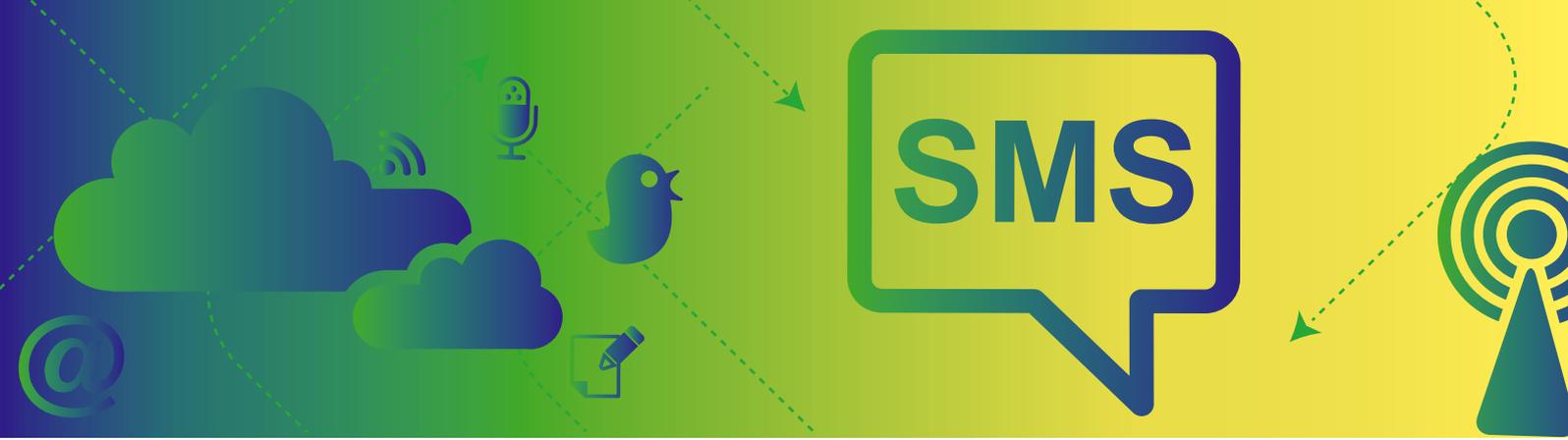
Online Market Volumes ('000) EUR



Digital Market Category Shares

For 2013 we expect a market growth of 12%, largely sustained by performance players, with an average increase in budgets of 15-20%. The increase in display is estimated at around 4%, bringing the split of performance versus display at an almost equal 50/50 balance in a total market value of roughly 46 million EUR.

The growth of performance is in line with the European trends: according to IAB UK, in 2012 paid search accounted for 58% of the online revenue.



PERSPECTIVES FOR 2013

CONTENT AT THE CORE

Content is determinant in all digital media: it provides reasons to connect, is the fabric of social interactions and is crucial to users' experience with the brand. Content needs to be relevant to the brands' key values, but at the same time it should be based on strong consumer insights and offered in a form that can be shared and spread.

PERSONALIZATION AS A TOOL TO INCREASE CONVERSIONS

In 2012, the market shifted even more towards performance tactics for reasons mainly related to budgets. In 2013, performance will mean more than cost efficiency: a cost-per-results equation within a larger marketing spectrum. In this context, the share of the real-time bidding buying model will increase, along with other performance-oriented paying models, moving also into awareness campaigns where conversions will be defined as certain activities on-site

PROGRAMMATIC MARKETING

The internet is one huge behavioural database – and now we have the tools to make use of it. Obviously, the favoured players are global content & social providers that double as advertising platforms: Google, Facebook, Yahoo. But there are digital marketing software solutions that allow more precise lead attribution; while not being the norm as of yet, they are still being used by marketers.

VIDEO ADOPTION

Strongly pushed by the launch of the localized Youtube, video adoption by marketers is probably the strongest trend of 2013. Campaign implementation, management and optimization will be simplified to such extent that video will become a must-have (and easy-to-have) in almost all campaigns, subject to the same performance indicators as the rest of the digital items

MULTI-SCREEN

Digital experiences need to be flawless no matter the device. That is why content has to be adapted to the gadget used for interaction with the brands. Adaptation is not only a matter of form and design: the marketer will need to take into consideration the potential different expectations of the user when surfing on a smartphone, compared to the same user's needs when accessing the brand platform via desktop.

DIGITAL MEDIA MOBILE

OVERVIEW

Considering the late 2011 forecasts, 2012 was the year when expectations were not only met but in some cases exceeded.

The smartphone penetration level in Romania is of approximately 15-20%. This segment accounts for half of the total annual mobile phones sales and is the fastest growing in terms of adoption according to industry estimations.

The GFK TEMAX Romania study revealed on the last quarter of 2012 a significant rise of the mobile phone market by 24% (75 million EUR) versus 2011. The segment with the largest growth was Smartphones.

The holiday rush and the Black Friday campaigns were important factors contributing to the increase of smartphone sales in this particular period.

Even more encouraging are the statistics referring the increased quality standards and market diversification.

Although the main communication tool in 2012 remained the SMS, it is easy to notice the increase in all other segments as well.

Considering these facts, more advertisers turn to mobile communication solutions for their business and adopt mobile as an integral part of their marketing strategy.

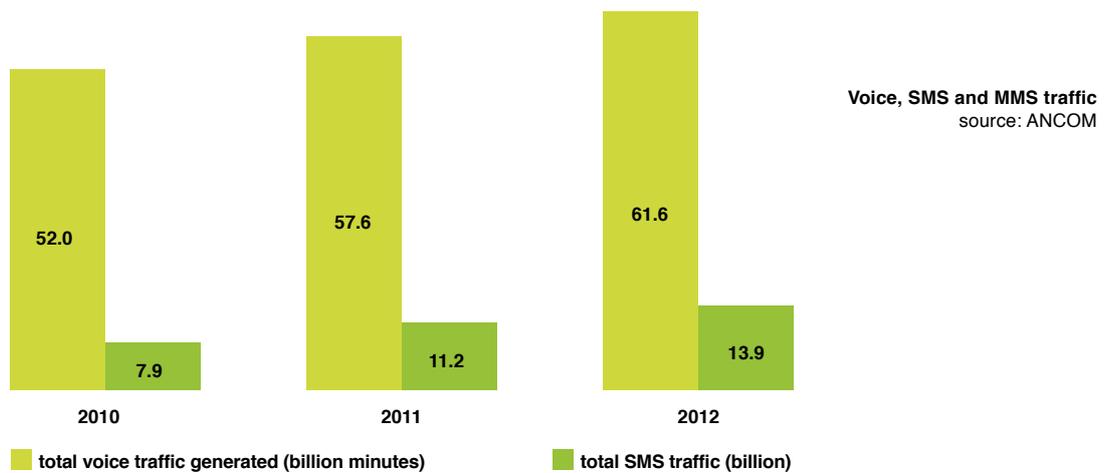
MOBILE PHONE PENETRATION & USAGE

According to ANCOM statistics, the Romanian mobile market penetration at the end of 2012 was 119.9%, the 22.8 million active SIM cards showing a slight decrease in comparison to the previous year. This is mainly due to very competitive pricing policies from mobile phone operators as well as loyalty programs determining clients to consume more on one SIM and discard others.



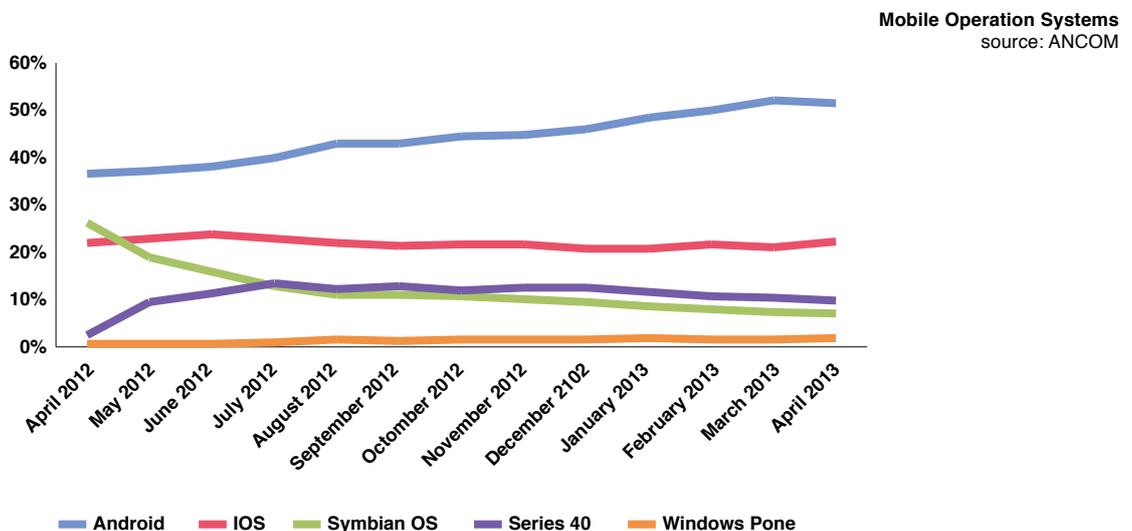


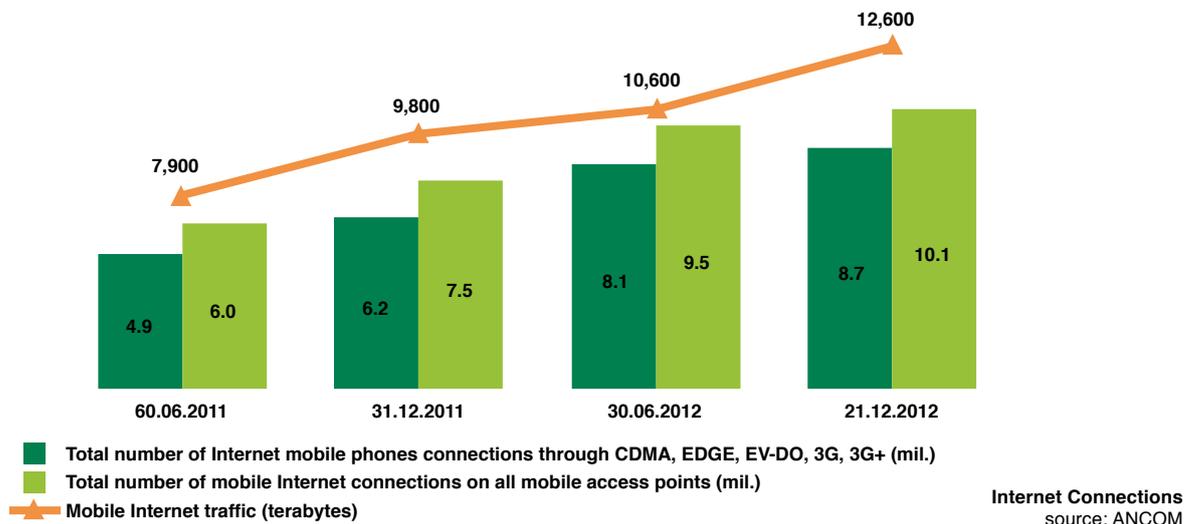
Despite this apparent reduction, the expected voice consumption upward trend was kept, as the 61.6 billion minutes voice traffic accounted for a 6.9% increase in 2012.



SMS traffic increased by 24% in 2012, reaching a total volume of 13.9 billion messages.

StatCounter statistics show a clear preference for Android operating mobile phones throughout the April 2012 - April 2013 period. At the beginning of the second quarter in 2013, the most popular operating systems was Android (51.4%) with an increase in market share of 41%. iOS is the second with 22.2% and at the same time the most stable in terms of market share.





The mobile Internet traffic volume is also growing but at a slower pace: +28.6% at the end of 2012 vs. 2011 compared to +40.3% Internet mobile phone connections and +34.7% for all mobile Internet connections. This leads to a slight decrease in traffic per access point of 4.5% (from 1.31 TB / access point in 2011 to 1.25 TB / access point in 2012). This is a typical pattern of technology adoption where the technology penetration (access points) grows faster than the technology usage (traffic volume) by evolving from nice-to-have towards must-have.

ROMANIAN MOBILE MARKETING

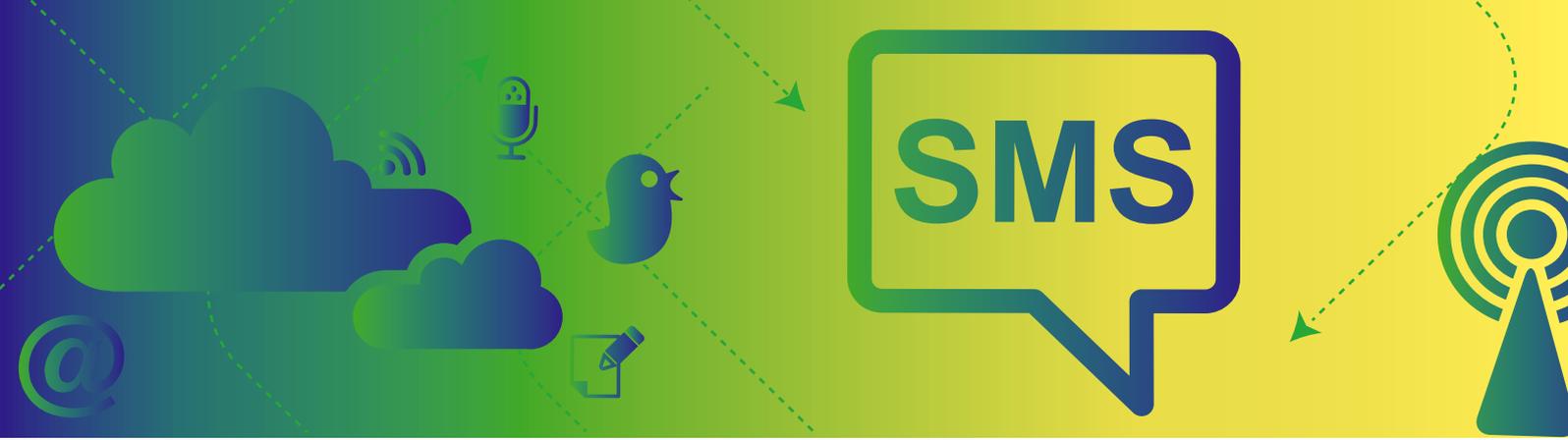
SMS remains the main mobile communication channel, due to its multiple usage possibilities and high reach.

SMS is actively used by advertisers as a communication tool with their clients and consumers, by using either own or rented databases as a fundamental component in national consumer promotions.

Apart from traditional text messages, the evolving tools facilitate the reach of specific targets. More Romanian brands use location-based solutions to communicate to consumers with particular profiles, in convenient places: at purchase points, in subway stations, at the airport or in other suitable spots.

The interest in other mobile communication solutions is increasing as brands turn not only to mobile advertising, mobile websites and mobile applications, but also to other tools, such as QR codes and newer technologies.

We will see more campaigns using mobile in an innovative way, as brands will embrace the latest technologies, such as AR and Live AR. Augmented Reality is steadily becoming a communication solution and brands are starting to incorporate it in their strategies.



PERSPECTIVES FOR 2013

Mobile internet starts to become dominant as the number of people accessing the internet from their mobile devices is estimated to surpass the number of PC internet users in 2013, making mobile optimization a must.

Smartphones continue to be the first choice for more and more people worldwide. Continuing the trend of previous years, 2013 will see again smartphone sales skyrocketing. Contributing to the interest of potential consumers the price decrease of both smartphones and tablets will lead to increased sales in developed markets as well as in emerging markets.

In Romania, the tablet market is projected to double its size, at minimum. One reason for this increase will be the 3G tablet which will be introduced in the operators' offers this year, with the 7 and 8 inch models representing some 60-65 % of the market.

Local mobile operators estimate that smartphones will represent a 50% share of the total mobile phones sales in 2013. One source of acceleration is the launch of 4G services, all 3 major players currently providing such a service to their customers.

The 60% increase in the number of active mobile internet connections recorded in the last 12 months is a clear indicator that more and more users go mobile. Setting the stage for a memorable mobile experience is essential for brands. People want to find particular information fast, on the go and expect brands to have at least an optimized mobile website that cater to their needs.

Wearable Internet technologies like Google Glasses and Internet Watches will provide new ways to reach the consumer in the near future.



RADIO

OVERVIEW

Although at the beginning of 2012 the radio market seemed quite promising, the evolution throughout the year did not raise to the expectations. On the contrary, the radio ad budgets dropped compared to 2011.

After a consolidation period, in 2012 the radio stations hoped their market share will increase. Strong PR and marketing campaigns, partnerships at important events and concerts, as well as media packages integrated with social networks represented the methods radio stations employed in order to attract more budgets and audience.

In 2012, the Romanian radio market was structured as:

- Contemporary Hit Music Radio: **Kiss FM, Radio ZU, Pro FM, Radio 21**
- Adult Contemporary Radio: **Europa FM, Radio Romania Actualitati, Antena Satelor, Radio Romania Regional, Music FM**
- Soft Adult Contemporary Radio: **Magic FM, Romantic FM, Gold FM, Smart FM**
- Dance Radio: **Vibe FM, Dance FM**
- Hot Adult Contemporary: **Guerilla FM**
- Classic Rock: **Rock FM**
- Sports: **Sport Total FM**

When mapping the radio stations together against 3 relevant demographic parameters, the overall picture is one of a clearly segmented market as follows:

- Adult Contemporary radio stations like Europa FM, Radio Romania Actualitati and Romantic FM attract an audience of mainly middle aged, middle social class individuals (upper right quadrant)
- Soft Adult Contemporary radio stations like Magic FM, Romantic FM, Gold FM and Hot Adult Contemporary stations like Radio Guerilla share their mature audience with the Adult Contemporary cluster with the significant difference that their audience is significantly more feminine and comes from higher social status levels (upper left quadrant)
- Teens and young adults of middle social status make the core audience of Contemporary Hit Music Stations like Kiss FM, Radio ZU, Pro FM and Radio 21 (lower left quadrant)
- Niche radio station Antena Satelor has its own territory with an audience consisting mostly of adults and seniors, with a pronounced tendency towards men of lower social status (lower right quadrant)

This situation reveals an important communication potential for advertisers as channel audience duplication -from within quadrants- provides a good frequency, while the clear delimitation between clusters provides good opportunities for targeting and contextualization.



- In September 2012 the Radio "Europa FM" morning program "The Awakening" was relaunched with a new team, Monica Anghel with George Zafiu and Vlad Petreanu
- From September 2012 Ciprian Dinu with the program "Europa Express" (10.00 – 13.00) and Camelia Chendiu with an unique program in Romania, the seasonal "Spring/Summer/Autumn/ Winter ... Hours") joined the "Radio Europa FM" team
- New team with Manuel Dinculescu, DJ Andi, Anca Maco si Orlando at "Radio 21" program "Matinalii 21" (6.30 - 10.00)
- DJ Andreea Berghea joined Lagardere Group as Music Strategy Director
- New programs at Radio "Smart FM": Dragos Olteanu's "Matinal" program and Cristina Stanculescu's weekend program "Smart People".

As usual, the most active radio stations tried to maintain their position through special marketing activities:

- Kiss FM – "Kiss FM Doubles your salary" contest; "Summer Kiss" (on the beach in Mamaia, Costinesti, Neptun, Jupiter); "Winter Kiss" (on ski slopes in Predeal, Sinaia and Poiana Brasov); "Top secret" campaign (Facebook application), "Kiss cash" radio contest.
- Magic FM – "Magic Summer" (your favorite music on Neptun beach); "Santa's Radio"
- "Rock FM gives a chopper to a great rocker!"
- PRO FM – "Pro FM Live Session" powered by MTV live (19 years of PRO FM celebration at AFI Palace Cotroceni) ; 19 years of PRO FM – live show in the Bucharest subway Berceni-Pipera with Voltaj and 500 listeners; "Pro FM is searching a little soul for (Frone)"; "Water fight with your star" (in Cluj, Arad, Brasov, Constanta, Bucuresti)
- Europa FM – "You are not alone" (social responsibility campaign in Vaslui, Mehedinti and Buzau); "Live in Garage" has become a brand with big notoriety; "Secret sound" – interactive content, very popular among Europa FM listeners;
- Radio 21 – "Liberty Parade" – the most powerful brand, the biggest scene and 70.000 participants
- Radio "Europa FM" – "Live on the Beach" – an unique show in Romania gathered 60,000 people and the most popular pop-rock Romanian bands
- November- December 2013 Radio "Europa FM" promotion "A car for your family" – a daily contest offering daily prizes and a Kia car as Final Prize
- July 2012 "Radio 21 is Gaga"- a "Radio 21" bus has taken "Radio 21" listeners to the first concert of Lady Gaga's European Tour
- June – August 2012 "Radio 21 Super-Summer" changed the location- on the beach. On Mamaia Celsius Beach, Inna, Connect-R, Alexandra Stan and other Romanian artists arrived with the "Radio 21" mobile studio
- November – December 2012 "I'm listening Radio 21" campaign with money prizes - "100 euro will not make you a rich man, but help you"
- "Radio 21" exclusively launched 2012 hit: "Puiul Piu" a remake of the Italian hit "Pulcino Pio"
- „Radio ZU e Smecherie, te scapa de datorie“ (January- April) – over 100 thousand SMS received from valid unique numbers
- "ZU Mega Apartment" (January – April) – campaign gathered at the final event over 400 persons from all over the country to try the apartment door key
- "Zoooper Trooper MINI Cooper " (September- December) gathered in December 17th at Sun Plaza over 350 key winners to try their luck for a Mini Cooper
- Forza ZU – the biggest karaoke event in Romania, organized in Timisoara with over 40.000 fans

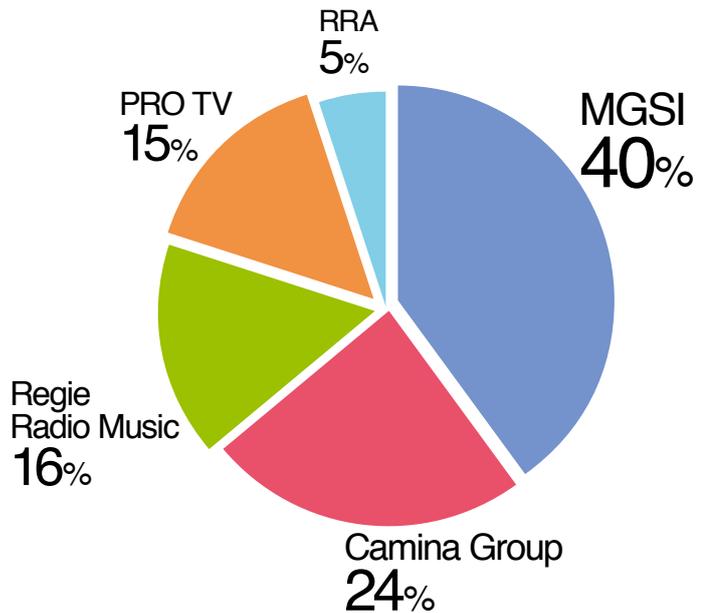


MARKET ANALYSIS

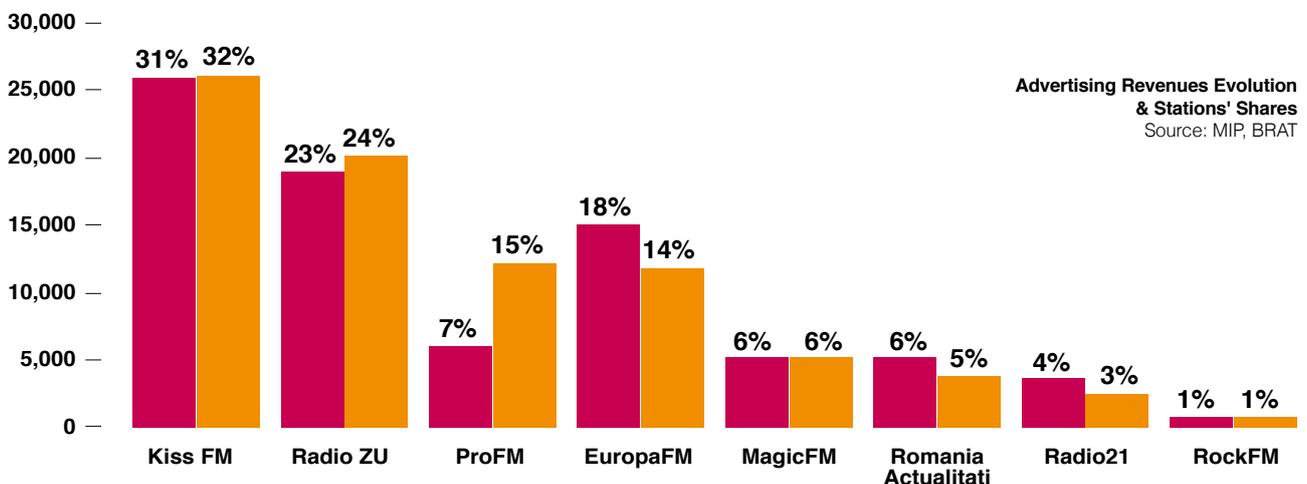
Analyzing the radio networks market share, we can see MGSI consolidated its position as a leader, with 40%, followed by Camina Group and Regie Radio Music. A significant gain in the market share is achieved by ProFM.

Advertising ratecard Revenues by Sales House (barter excluded)
Source: MIP, BRAT

- MGSI = Radio Kiss FM, Magic FM, Rock FM
- Camina Group = Radio ZU
- Regie Radio Music = Radio Europa FM, Radio 21, Vibe FM, Smart FM
- ProTV = Radio ProFM
- RRA = Radio Romania Actualitati



The advertising budgets spent on the most important radio stations (excl. barter) in 2012 shows that most players managed to keep the same level as in 2011. Kiss FM is again on the first position, followed by Radio ZU. Europa FM and Radio Pro FM switched places, Pro FM getting the 3rd place due to an important budget growth. In 2012, Guerrilla FM, Vibe FM and Gold FM radio stations were not monitored.



Advertising Revenues Evolution & Stations' Shares
Source: MIP, BRAT



The top advertising categories in radio does not show major changes vs 2011, Retailers remain the strategic investors of this medium. Banking & insurance category (2nd place) and Mobile telecommunications services (3rd place) switched positions in 2012 vs 2011.

The ad spending structure shows that over 50% of the total RC spending is concentrated in the top 5 categories, which rely very much on frequent communication of special offers & services.

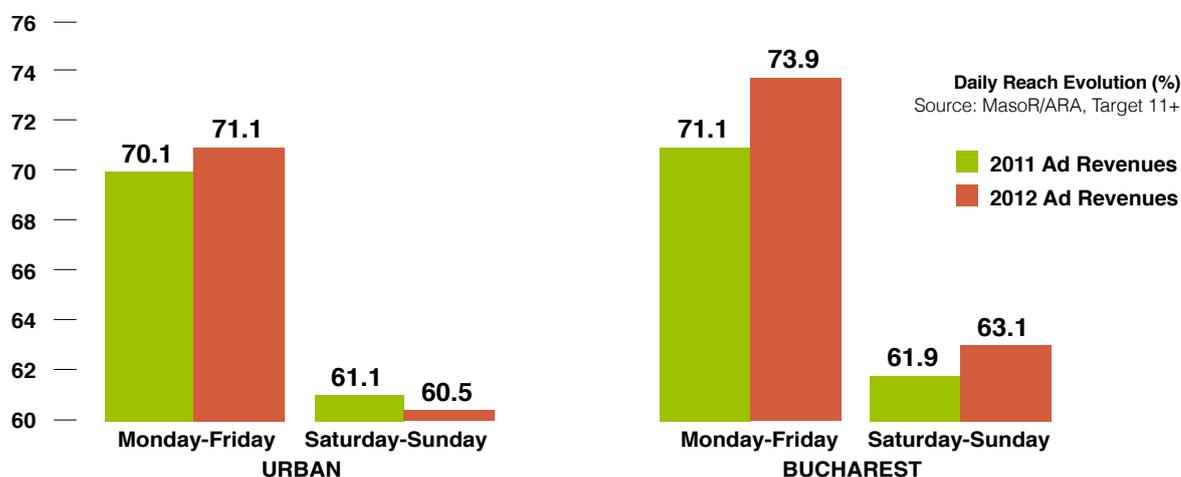
CATEGORY	SPENDING SHARE
Stores, commercial centers, supermarkets	26%
Banking & insurance services	9%
Mobile telecommunications services	8%
Internet services	5%
Medical & optical products & services	5%
Domestic appliances, electrical & electronics	4%
Cars & 4x4 vehicles	4%
Building & constructions products & materials	3%
Beer	3%
Fuels/Oil/Lubricants/Companies & Products	3%

Source: MIP, BRAT

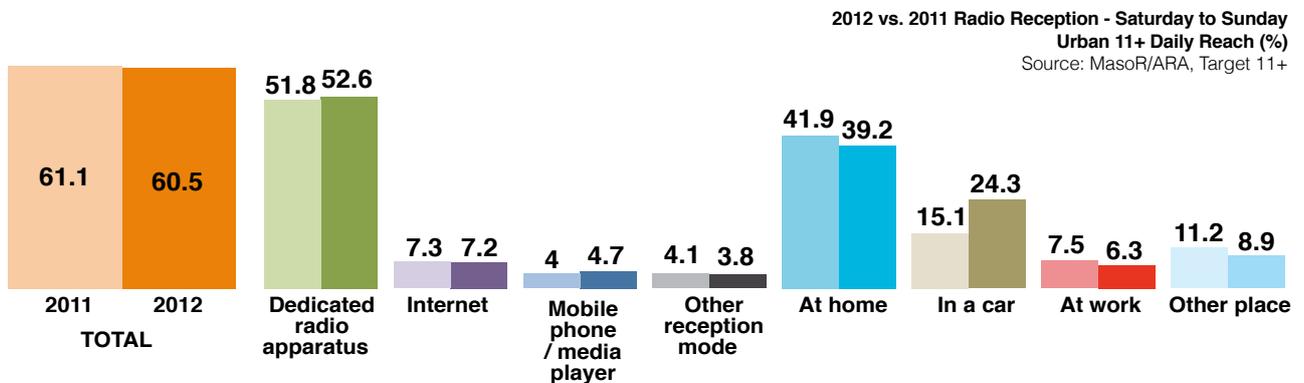
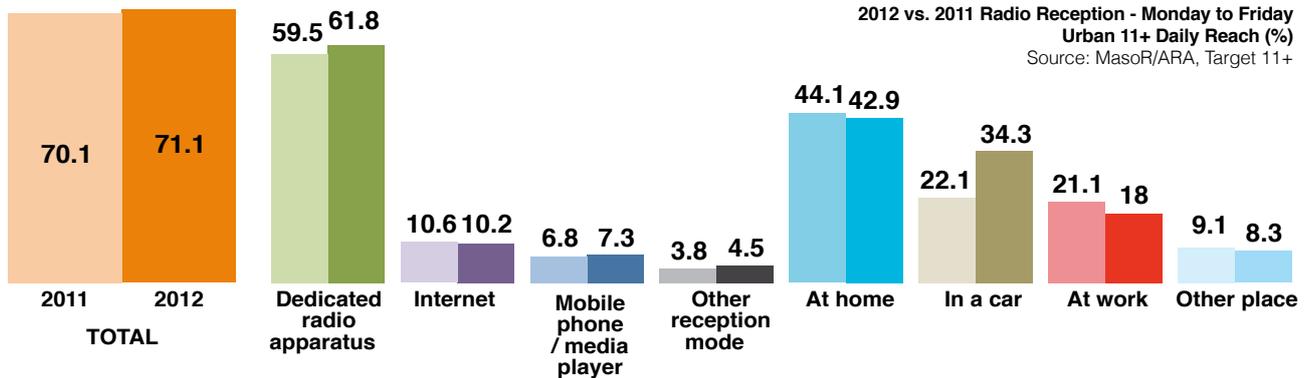
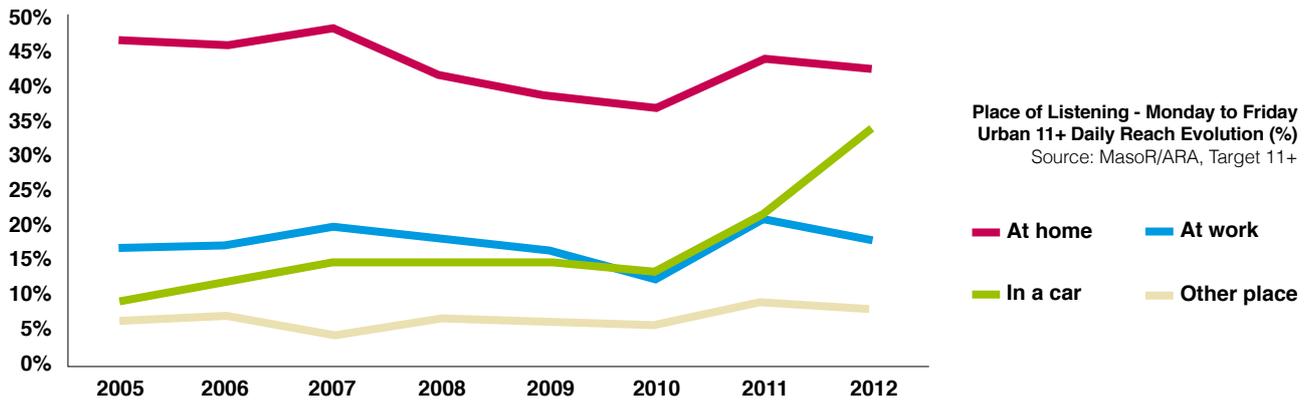
AUDIENCE ANALYSIS

Urban daily audience registered a slight increase in 2012 vs. 2011, due to the significant increase during weekdays and despite the small drop in weekend. As for Bucharest, the audience increased significantly throughout the week, as people tend to spend a significant amount of time on the move, in the city.

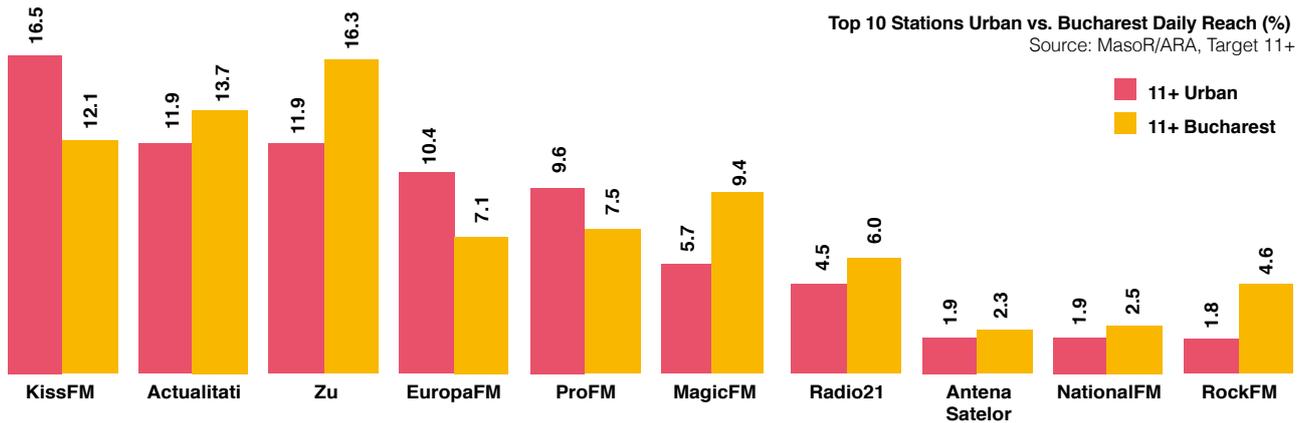
Largest impact in daily audience vs.2011 was registered "in a car" (+12.2% Mon-Fri, +9.2% Sat-Sun)



SMS



In 2012, Kiss FM was the most listened radio station in urban areas, followed by RRA and Radio ZU. However, in Bucharest, Radio ZU managed to consolidate its leading position.



PERSPECTIVES FOR 2013

In 2013 radio market is expected to remain stable at the same level as in 2012. Most likely, advertisers will choose a mix of top stations which will put the budgets of smaller stations under pressure. Consequently, these stations will continue to be more flexible regarding special projects and media coverage (creative contests, radio programs relocations, sponsorships).

To increase their market share, radio stations will offer integrated campaigns (radio – smartphone – web – OOH/BTL event TV) with extension in social network communities.

To maintain their audience and acquire new listeners, radio stations will continue to develop PR and marketing campaigns, as well as events and partnerships for concerts.





SMS

PRINT

OVERVIEW

In 2012, the Print industry continued the descending trend, installed in early 2009. With the general tendency of consumers to read the press online, the Print has a huge challenge to face.

Advertising budgets decreased accordingly, more and more big advertisers had cut their print investment. Striving for revenues, most publishers tried to gain budgets by offering special integrated projects mixing print with online and sometimes with events.

Last year, another major challenge Print had to face was distribution. Although there is still some demand for Print in the market, the distribution networks' insolvency brought publishers in the situation to decrease the number of copies, the number of pages and the number of persons employed in editing, eventually failing to reach its public.

The publishers' marketing policy to attract readers by frequent inserts (DVDs, books, cosmetics) continued in 2012, but this raises the following question: are publications bought for their content or for the attractive inserts?

The most important Print Market moments in 2012 were:

- February: Prevention was closed (Liberis Group Romania)
- March: Lumea Femeilor and Look magazines closed by Ringier
- March: Mediafax took over Glamour and GQ from Liberis Group, which closed
- April: Ioana Visul Copiilor (Burda) was closed
- April: Income weekly business magazine was launched and it was closed in March 2013
- April: Pressworks Trust (Autoshow, Cool Girl, Star) was closed
- July: Media Point (Sales Company for Adevarul Holding) changed the sales policy from rate card to audience (till end of October, when Adevarul Holding was acquired by Cristian Burci and returned to rate card sales policy)
- August: CanCan newspaper was closed and remains only in online version
- August: Catavencii left Adevarul Holding to new owners Mircea Dinescu and Doru Buscu
- September: Convergent Media (Gazeta Sporturilor editor) took over BBC Top Gear, BBC Good Food and BBC Science Focus
- September: Forbes magazine (Adevarul Holding) was closed
- October: BP Publishing took the Forbes licence and reopened the magazine
- December: Flacara and Tango magazines were closed (Tango reopened in 2013)

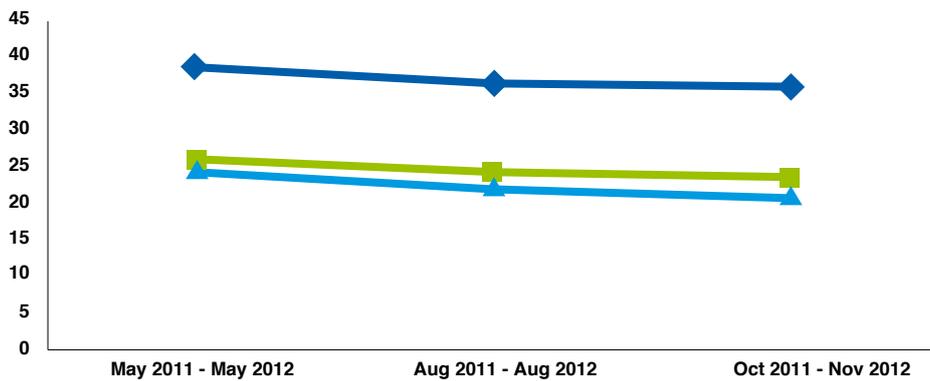
Although the summer of 2012 was marked by two major sport events- The European Football Championship and The Olympic Games – few general interest and sports publications launch dedicated supplements for these sports events. The only notable exception was Pro Sport daily, which changed to a bigger format and kept it afterwards.

MARKET ANALYSIS

In 2012, regardless the publication's frequency of issuing (monthly, weekly, daily), the number of copies and sales were on a slight decreasing trend. Although not critical (5-7%), the decrease was constant and driven mostly by distribution networks' insolvency.



This drop generated inevitably a decrease in audience, most affected being the newspapers (-15% in audience), while weeklies and periodicals dropped by 7-8.5%.



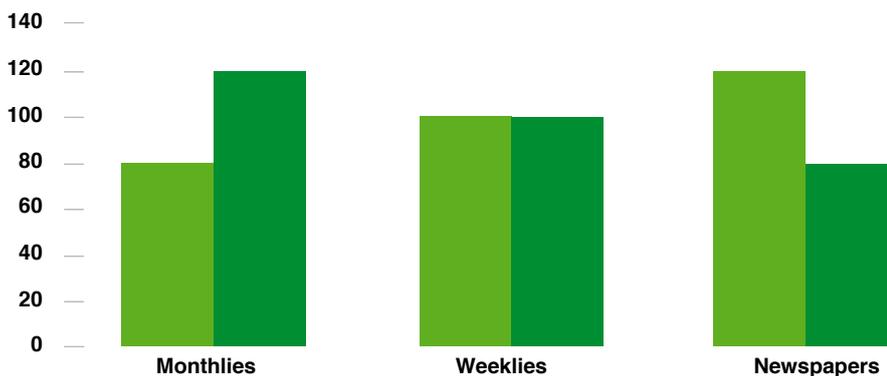
Coverage Evolution (%)

Source: National Readership Survey, BRAT

◆ Monthlies ■ Weeklies ▲ Newspapers

The readers' structure maintained the usual pattern: men are interested mainly by the two sport dailies, closely followed by auto, sci-tech and financial magazines; an important choice for male readers is also represented by the quality newspapers (Jurnalul National, Adevarul, Evenimentul Zilei, Romania Libera).

Women readers are spoiled by the wide choiche of glossy magazines, followed by kitchen and home & deco magazines. Regarding the newspapers, women prefer equally tabloids and quality titles.



Affinity Distribution

Source: National Readership Survey, BRAT

■ Male ■ Female

In 2012, the total rate-card volume of advertising revenue (excl barbers that we estimate at approx. 40% of total RC spending) for Print reached 150 million EUR, out of which 47% in newspapers.



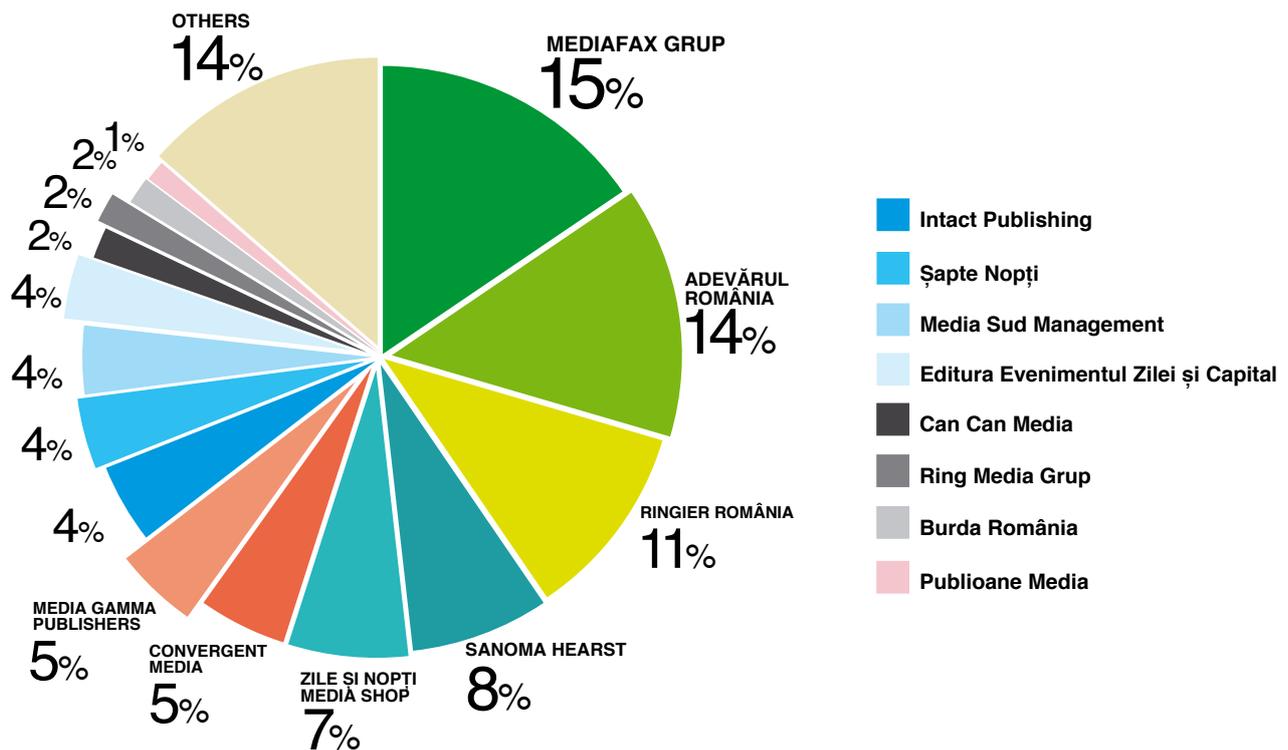
SMS

Given the portfolio changes at the main media groups that occurred in 2011 and 2012, the shares of revenues changed as well impacting the ranking of those groups.

Mediafax swapped places with Adevarul Holding thus becoming #1 with 15% share of market, due to Glamour and GQ new acquisitions from Liberis magazines. Adevarul Holding follows in closely on 2nd place with 14% share, same as in 2011.

Ringier went up to 3rd, increasing from 9% to 11% share due to the acquisition of Edipresse portfolio of magazines. Sanoma keeps its 4th place in 2012, although with a slightly smaller market share (8% vs 9% in 2011).

Intact registered the higher drop market share (from 10% in 2011 to 5% in 2012) falling into the 9th place.



Advertising Ratecard Revenues by Media Grup (barbers excluded)

Source: National Readership Survey, BRAT

The top 10 advertising categories with significant print investments in 2012 (Rate Card) accounted for over 60% of the total print spend (media barbers excluded).



CATEGORIES	MAGAZINES	NEWSPAPERS
Cosmetics, Hygienic & Hair Care	97.09%	2.91%
Medical & optical products & services	64.54%	35.46%
Mobile telecommunications services	33.79%	66.21%
Cars & 4x4 vehicles	52.05%	47.95%
Internet services	50.71%	49.29%
Banking & insurance services	31.77%	68.23%
Clothing & accessories	93.41%	6.59%
Stores, commercial centers, supermarkets	44.50%	55.50%
Building & constructions products & materials	59.34%	40.66%
Beer	45.27%	54.73%

Source: MIP, BRAT

In 2012, for the first time, a FMCG sector overtook the medical products & services, a sector with traditionally significant investments in print media. Telecom maintained a strong 3rd position, although it did not increase the print investment vs 2011. A new entry in top 10 categories is Beer as 2012 was an important year for sports to which beer brands are inextricably tied.

A noticeable presence in the ranking is the Automotive category – the incentive offered by the Government for buying a new car, determined many car producers to communicate their specific offers within the “Rabla” program.

The top 20 titles with the highest revenue in 2012 (Rate Card, media barterers excluded) are mostly newspaper (quality, tabloids, financial and local), women magazines and free city guides.

TOP 20 PUBLICATIONS

Sum of Val EUR Non-Barter Source: MIP, BRAT

NEWSPAPERS	2012	2011	EVOLUTION
ZIARUL FINANCIAR	15,406,368	12,943,737	19%
CLICK	11,717,977	10,552,401	11%
LIBERTATEA - EDITIE NATIONALA	10,420,924	11,050,740	-6%
ADEVARUL EDITIE NATIONALA	10,310,767	13,946,328	-26%
GAZETA DE SUD	9,951,369	9,491,023	5%
GAZETA SPORTURILOR	9,872,636	13,612,445	-27%
JURNALUL NATIONAL	9,200,723	12,441,143	-26%
EVENIMENTUL ZILEI - EDITIE NATIONALA	6,627,993	7,091,116	-7%
ROMANIA LIBERA	6,460,010	7,923,298	-18%
PRO SPORT XL	4,904,005		
RING	4,477,304	5,443,372	-18%
CANCAN	4,201,465	5,470,978	-23%
PRO SPORT	3,307,691	7,112,393	-53%
INFORMATIA ZILEI DE SATU MARE	2,705,641	1,574,670	72%





SMS

ZIARUL DE IASI	1,786,388	1,849,445	-3%
VIATA LIBERA	1,508,643	1,400,146	8%
OBIECTIV VOCEA BRAILEI	1,413,365	1,451,666	-3%
VREMEA NOUA	1,372,062	1,307,299	5%
LIBERTATEA EDITIE DE BUCURESTI	1,213,047	877,491	38%
ROMANIA LIBERA MICA PUBLICITATE	1,151,090	1,192,599	-3%

MAGAZINES	2012	2011	EVOLUTION
ZILE SI NOPTI BUCURESTI	7,458,500	7,394,400	1%
WEEKEND ADEVARUL	4,949,923	2,445,980	102%
SAPTE SERI	4,873,280	4,947,750	-2%
ELLE	3,555,801	2,401,416	48%
PRO TV MAGAZIN	3,538,300	3,536,500	0%
BUSINESS MAGAZIN	3,387,310	3,704,460	-9%
COSMOPOLITAN	3,138,654	3,808,561	-18%
THE ONE	3,095,850	2,674,650	16%
CLICK TV	2,528,030	524,500	382%
LIBERTATEA PENTRU FEMEI	2,467,676	1,877,560	31%
CLICK PENTRU FEMEI	2,466,908	591,301	317%
CAPITAL	2,406,557	2,380,122	1%
INSTYLE	2,213,920	1,555,355	42%
CIAO!	2,130,300	1,963,075	9%
CE SE INTAMPLA DOCTORE?	2,119,741	1,915,860	11%
MARIE CLAIRE	2,113,030	1,742,055	21%
ZILE SI NOPTI CLUJ	2,107,350	4,381,375	-52%
ZILE SI NOPTI BRASOV	1,958,910	3,639,330	-46%
OK!	1,931,690	588,960	228%
FORBES	1,775,300	709,366	150%

REGIONAL PRESS

In 2012, the regional press crisis deepened, many titles closed or switched to online version. There are, still, at local level, many strong titles which were not affected by the crisis and kept important audience levels: Ring, Gazeta de Sud, Informatia zilei de Satu Mare, Ziarul de Iasi, Viata Libera, Transilvania Expres.

In 2012 the most important local press titles were grouped in 2 important media groups: Goldbach Media and Midas Media.

Goldbach Media is the media group with an extended local media network: TV, radio and print. 70 local radio station in 33 counties (including magyar radio station) and 53 local print titles (including magyar titles) are in Goldbach Media portfolio.

Midas Media is the media group with 33 local print titles in 32 counties. The average number of copies per edition is of 323,000 and estimated audience is over 1 million readers per edition.

ONLINE TITLES

The solution to recession, namely to invest in online versions of the print titles seems to work. Except for a few titles, with marginally lower visits, the general trend is an increased evolution in traffic versus 2011. This can be translated in online media being seen as an efficient complement to the print editions.

SITE	CORRESPONDING PUB	GENRE	2012 MONTHLY AVG		2011 MONTHLY AVG		EVOLUTION	
			HITS	VISITS	HITS	VISITS	HITS	VISITS
libertatea.ro	LIBERTATEA	Tabloids	34,632,915	8,974,513	35,396,558	8,416,605	-2%	7%
cancan.ro	CANCAN	Tabloids	33,942,657	10,109,776	33,645,495	9,034,874	1%	12%
gsp.ro	GAZETA SPORTURILOR	Sports	30,649,842	9,315,366	32,712,192	10,276,226	-6%	-9%
prosport.ro	PRO SPORT	Sports	29,005,780	9,853,082	35,774,288	9,563,591	-19%	3%
click.ro	CLICK	Tabloids	20,405,586	5,667,762	25,536,827	5,803,657	-20%	-2%
gandul.info	GANDUL	General News	19,040,550	8,081,741	13,617,529	5,505,645	40%	47%
adevarul.ro	ADEVARUL	General News	16,836,461	6,054,233	18,727,583	5,817,693	-10%	4%
evz.ro	EVENIMENTUL ZILEI	General News	13,985,387	4,605,335	10,707,504	3,756,970	31%	23%
jurnalul.ro	JURNALUL	General News	9,154,111	3,004,174	6,410,286	2,356,086	43%	28%
zf.ro	ZIARUL FINANCIAR	Financial & Economic	5,893,106	2,207,197	6,480,534	2,197,831	-9%	0%
promotor.ro	PRO MOTOR	Automotive	5,384,663	1,077,246	3,795,296	650,280	42%	66%
romanioliberala.ro	ROMANIA LIBERA	General News	4,661,351	1,446,394	4,291,187	1,171,075	9%	24%
unica.ro	UNICA	Women Lifestyle	3,902,112	1,445,985	3,370,361	814,577	16%	78%
cotidianul.ro	COTIDIANUL	General News	3,599,669	1,112,522	2,124,570	746,226	69%	49%
playboy.ro	PLAYBOY	Lifestyle masculin	3,191,927	361,889	707,120	76,393	351%	374%
ziaruldeiasi.ro	ZIARUL DE IASI	Local News	2,818,947	867,617	2,157,208	797,922	31%	9%
provmagazin.ro	PRO TV MAGAZIN	TV Guides	2,648,599	574,810	3,843,209	529,219	-31%	9%
monitorulsv.ro	MONITORUL DE SUCEAVA	Local News	2,596,708	516,190	2,740,867	476,052	-5%	8%
capital.ro	CAPITAL	Financial & Economic	2,389,567	1,290,205	2,986,930	1,502,143	-20%	-14%
ziarulevenimentul.ro	EVENIMENTUL	Local News	2,386,376	440,270	2,505,564	458,105	-5%	-4%

Source: SATI

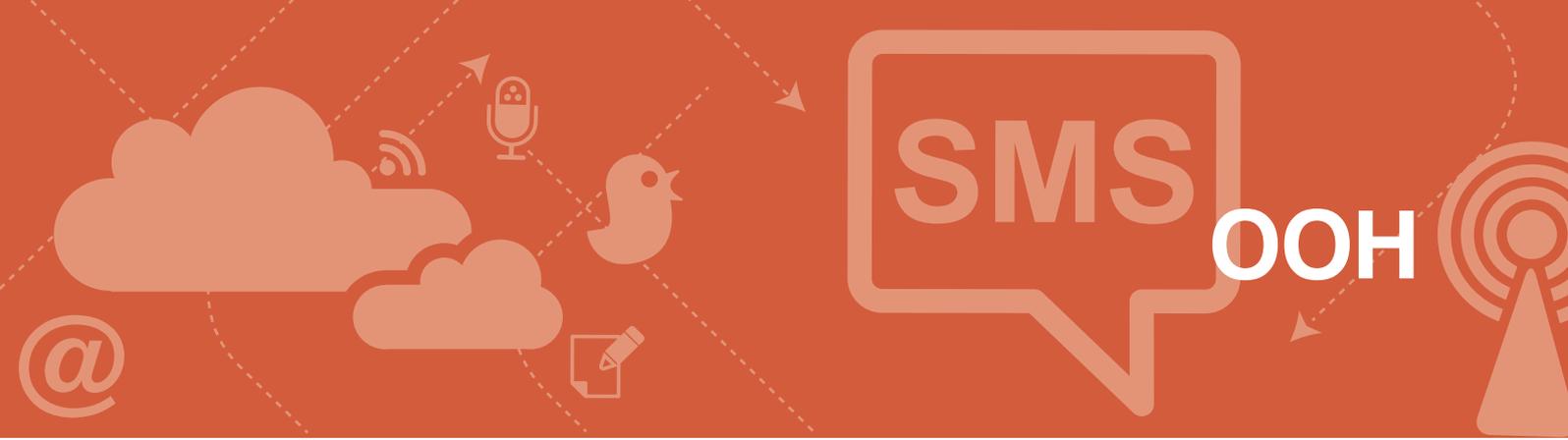
PERSPECTIVES FOR 2013

The publishers' main objective appears to be stabilization of the current number of copies sold and then to increase sales through a constant "insert policy".

In 2013 the publishers will try to increase their market share by adopting more flexibility in their market approach introducing 3D newspapers issues, QR codes, tailor-made supplements and special ad formats. Creating and selling integrated print – online – mobile – events media packages will become increasingly usual.

The online publications will continue to be attractive, especially for active audiences and adopters of new technologies.

In 2013 the process of closing down print titles will continue, while some of them will be converted to online versions and digital platforms.



OVERVIEW

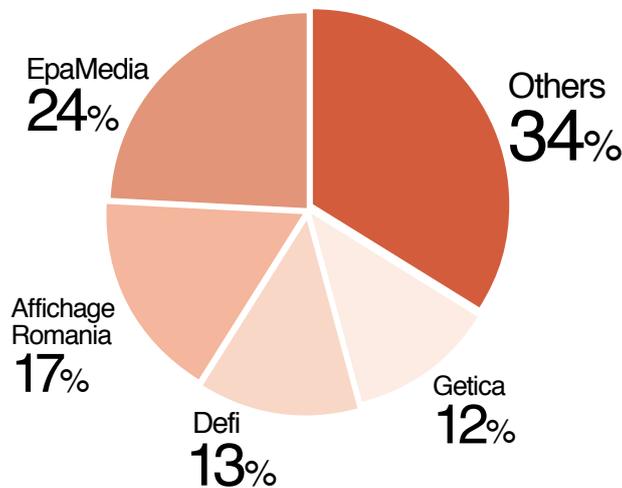
There was a classical election year with almost standard layouts and investment. A welcome investment, no matter how low, in a slightly decreasing market. As ever, increasing media fragmentation and a relative lack of predictability in budget allocation induced more pressure on suppliers to discount the pricing.

The OOH market registered a 5% decline in 2012, with a total spend of 29 million euro. BRAT delivered its first investment monitoring report for OOH.

OUTDOOR

Although there were no tenders for street furniture or transit, 2012 had seen a few important transactions and rebranding processes. Joj Media House bought the entire Epa Media network from Raiffeisen. They sold the Bulgarian branch to a local media player and the Hungarian one to JC Decaux. We are expecting news for the Romanian subsidiary. Defi bought Clear Channel Romania, bringing in investments which consolidate its leading position on the big-sized OOH format market. News Romania was rebranded into Getica OOH.

Considering the above changes, we estimate the following ranking of the top 5 players based on revenue share:



The “Others” cluster maintained a steady track, consolidating the last year growth trend. Here we include companies which are strengthening their national coverage as: Universal Solutions, New Age, Way Media. Spectacular Group of Companies, despite some public animosities, continues its` major contract with Metrorex, the exception being the LCD network which was taken over and refurbished by Blitz TV. Spectacular also lost the contract with the retailer network La Reclama.

It seems that we finally have a closure for the 2010 Ministry of development and Tourism`s Outdoor regulations. The Parliament voted it. We are expecting the Presidents` approval. Up to this date, it hasn`t been filed any legal dispute on behalf of the suppliers, who have to come to the laws` terms until January 1st, 2013.

Should the regulation be applied without any amendments, we are expecting a two digits drop-off in number of locations. It still is to be seen how the local Councils will interpret and apply the Outdoor regulations.



INDOOR

The main players are Brand Management and Sugar Media, covering the indoor and in-store markets. There were no changes regarding the top advertisers in indoor advertising. The largest budgets were still sustained by the Banking and Financial category closely followed by FCMG, Automotive, Entertainment, Airlines and Fashion industries.

Indoor in office buildings is still the only segment that succeeded in attracting more investments mainly by offering innovative special projects. Elevate is leading with 70% market share followed by Business to Business and Invent Media. The largest budgets were sustained by the Banking and Financial category followed by FCMG, Automotive, Airlines and Pharma.

DIGITAL OOH

Phoenix Media succeeded in signing-up a 20 LCD contract with the General City Hall. The entire network is going to be located in the Old Town area.

Otherwise, for Digital Outdoor there were virtually no changes. With nearly 100 locations and the possibility of subcontracting from the entire Romanian OOH digital market, Phoenix Media and Vision Media Plus remained the main players preserving their top positions on the Romanian TV-screen market. Both players invested in sustaining the high quality of their networks.

There were no mergers or any significant new comers to this industry. Phoenix Media remained the only supplier to sell advertising based on four categories of timeslots as implemented last year: prime, basic, inter and night time.

Digital Indoor refers to plasma screens distributed across networks in public venues with high traffic. Spectacular View is still a major supplier although the LCD subway contract has been taken over by Blitz TV.

PERSPECTIVES FOR 2013

There have already been some significant changes in expanding some of the OOH networks. We are expecting further developments in this sector taking into account that the new legislation would most likely reshape the OOH market in 2014.

As ever, although there was a rather usual slow start in the first two months of 2013, the market seems to revive as of March.

Indoor is maintaining a steady track, succeeding in keeping its share of the market.

Although there was hope for recovery and there were some positive perspectives regarding an increase of the OOH budgets, until now the figures are still moderate. The general estimations for 2013 show a descending trend, still, with a 4% erosion.



OVERVIEW

With an increase of 15.4% in number of admissions and a gross box office increase of 10.4% supported by an 8% increase in the number of active cinemas, the Cinema market continues its ascending trend.

Promotional campaigns, a lot of 3D productions launched as block-busters and, as previously mentioned, new multiplex cinemas, all contributed to this steady market increase. Special promotions like special full-day prices, family packs, loyalty cards and promotional contest together with flat ticket prices vs. 2011 made Cinema an increasingly attractive leisure destination and a good advertising environment.

2008 - 2012 EVOLUTION

GENERAL DATA	2008	2009	2010	2011	2012	CHG 2012/2011
Number of active cinemas	75	74	68	75	81	8.0%
Seats	46,782	49,871	50,733	56,728	58,096	2.4%
Admissions	3,797,586	5,279,932	6,508,747	7,235,382	8,348,538	15.4%
Gross box office (EUR)	14,422,633	20,517,926	26,518,631	29,426,599	32,494,123	10.4%
Average admissions per inhabitant	0.2	0.2	0.3	0.4	0.4	13.2%
Average ticket price – national currency	14.0	16.5	17.2	17.2	17.3	0.8%

Source: National Centre of Cinematography

MARKET ANALYSIS

The main player, as in previous year, remains New Age Media (exclusive sales house for Cinema City and Samsung Imax), accounting for roughly half of the market both in terms of number of active screens and admissions, as well as 55% of the gross box office. In 2012, the same player also increased its portfolio with the launch of 2 Cinema City multiplexes in Constanta and Ploiesti which, together with the previously existing network, meant an increase of 17.2% in the number of admissions and 21.1% in terms of gross box office.

Major Players in 2012 Source: National Centre of Cinematography

MAJOR EXHIBITION COMPANIES	NUMBER OF ACTIVE CINEMAS	SCREENS	ADMISSIONS	GROSS BOX OFFICE (EUR)
CINEMA CITY ROMANIA	14	134	4,366,341	17,911,105
HOLLYWOOD MULTIPLEX OPERATIONS	3	16	880,438	3,737,613
MOVIEPLEX CINEMA	1	11	703,869	2,795,135
BANEASA DEVELOPMENTS	1	13	650,892	3,339,814
R.A.D.E.F. ROMANIAFILM	35	35	422,364	857,953
CITY CINEMA MANAGEMENT	4	13	309,497	1,007,567
ODEON CINEPLEX	1	8	302,711	993,016
LIGHT CINEMA BUCURESTI	1	7	244,857	864,758
Others	21	27	467,569	987,162
Total	81	264	8,348,538	32,494,123

Hollywood Multiplex, CinemaPRO and Hollywood Multiplex Lotus Oradea have together 16 screens and represents 10.5% in terms of admissions, decreasing by 3% compared to 2011. At the beginning of 2013 Hollywood Multiplex closed Cinema Lotus Oradea, which will most likely affect its market share for the current year.

Grand Cinema Baneasa Shopping Center, opened in Baneasa Shopping Center at the end of September 2011, became the fourth player in terms of admissions.

The most popular films were USA productions with 87.3% of admissions (a slight decrease of 5.5% in favor of European and Romanian compared to the previous year.

The main categories using cinema advertising in 2012 were FMCG, Consumer Electronics, Automotive, Telecommunications, Clothing & Footwear, Cosmetics, Financial, Pharma, etc. Cinema advertising offers great opportunities for both regular brand exposure as well as experiential brand projects integrated into larger communication concepts.

AUDIENCE PROFILE

According to SNA-Focus (the October 2011 – October 2012 delivery) the profile of cinema viewers is composed of young people (60.1% aged 19-34 y.o.), slightly more male (54% male) , single(53.8%) with 42.4% having a high form of education and 46.7% having A and B social status.

45.8% of the urban population aged 14-74 y.o. that visited a cinema in the last 12 months have had their last cinema visit within the previous month while 78.6% of the same base usually go to multiplexes.

PERSPECTIVES FOR 2013

Cinema continues its upward trend over the past six years, increasing its number of admissions by promotional campaigns and new cinemas openings.

Through its young, qualitative audience and a good off-screen/on-screen integration that enhance the overall cinema experience, we expect an increasing number of clients to include Cinema in their media mix 2013.

CREATIVE MEDIA USAGE

Stunning simplicity is what defines our selection of creative media campaigns this year. And by this we mean projects that are very effective in communicating the brand by employing ideas that are very simple and accessible. Also, such ideas happen to rely heavily on media conversion and the use of earned and owned media.

By emphasizing simplicity we, by no means, deny the importance of the advancement of technology and its role in supporting media convergence. Technology had and still has a tremendous role in reshaping the face of media. Yet technology is not always accessible, budgets are not always big enough but the brand still needs to make a strong statement. In such cases simple ideas can provide better solutions than an expensive, high reach TV campaign for example, by earning free media for the brand and, at the same time, create media touchpoints in the most unexpected places.

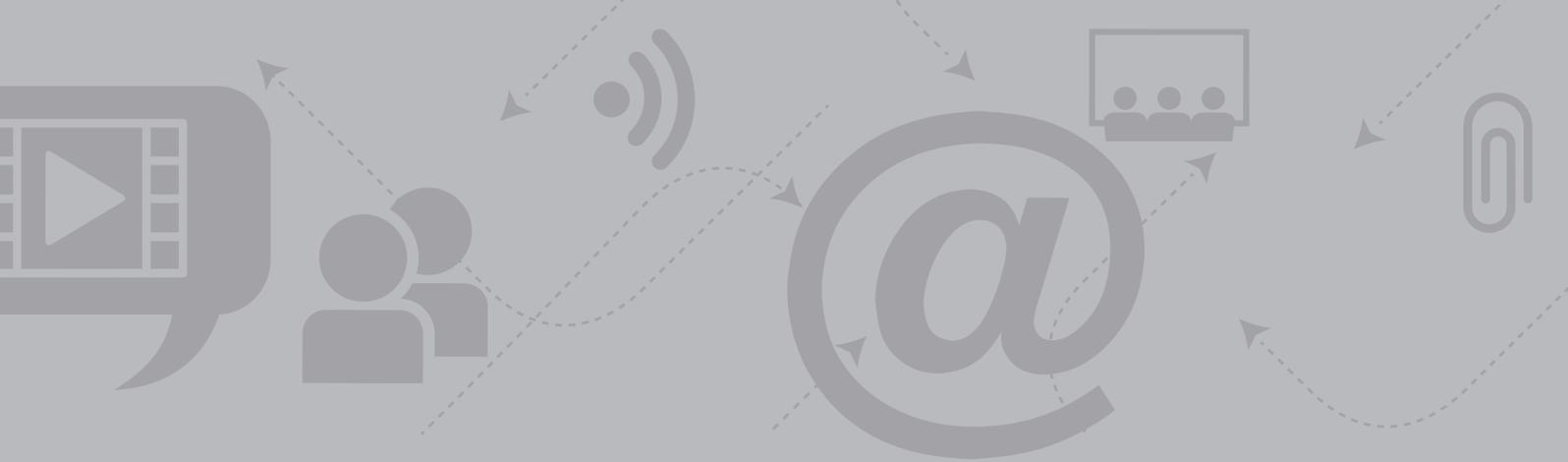
Such two examples are the My blood is red and black and Roti Reminder campaigns.

My blood is red and black is an institutional campaign for Hemoba Foundation, Brazil. The situation, similar with the one in many countries of the world, was that there were not enough blood donors to supply the blood bank. In the state of Bahia the situation was especially critical as blood for transfusion as well as donors were very scarce.

To solve this issue, Hemoba Foundation teamed up with local soccer team Esporte Clube Victoria, whose jerseys have a very locally popular and memorable colour patters: black background with red horizontal stripes.

The team accepted to wear modified jerseys where the red stripes were turned white to symbolize the empty transfusion blood reserves. As the campaign progress through the year, the white stripes were replaced one-by-one by the regular red stripes as the blood stock increased.







Meu sangue é **1899** *Rubro-Negro*

**O VITÓRIA SEMPRE DEU O SANGUE POR VOCÊ.
É HORA DE RETRIBUIR. DOE.**

O VITÓRIA ESTÁ JOGANDO SEM O VERMELHO
EM SUA CAMISA. E SÓ COM MUITA DOAÇÃO DE SANGUE
A SUA COR VAI VOLTAR AO NORMAL.



VOCÊ JÁ GRITOU, JÁ VIBROU E COMEMOROU
COM O LEÃO. AGORA É HORA DE MOSTRAR,
LISTRA POR LISTRA, QUE ESTAMPAR O VERMELHO
NO PEITO É QUESTÃO DE MERECEMENTO.

ONDE DOAR

Fundação Hematologia
e Hemocorpo da Bahia
Ladeira do HGE, s/nº
Açúcar de Santos, Salvador
Tel. (71) 3136-5600

Associação Órgão Sarcos
Irmã Dulce (Ino. Antônio)
Avenida Bonfim, 161
Largo de Santa, Salvador
Tel. (71) 3110-1113

Hospital do Subúrbio
Rua Manoel Emanoel, 210
Estrada Várzea de Peripetã
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SAIBA COMO DOAR

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Se você está longe
ou não pode doar
sangue, participe
doando espaço do
seu perfil.

**COMPARTILHE
ESTA CAUSA**

TWITTER

Acesse:

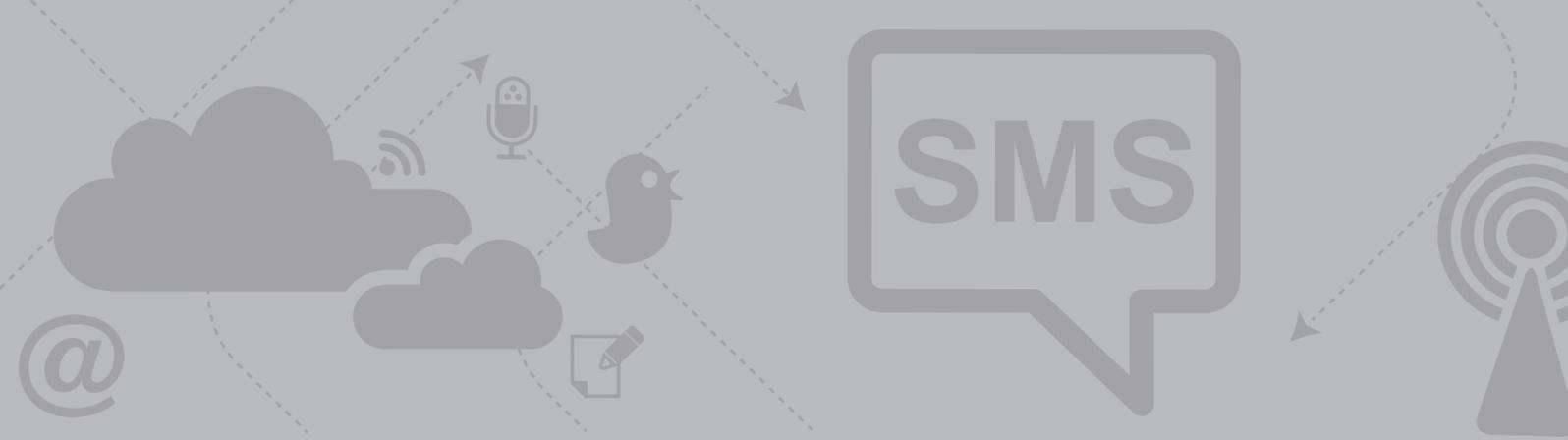
facebook.com/meusanguerubronegro
www.meusanguerubronegro.com











SMS

The campaign was rounded-up with an integrated digital component as an owned media solution. Yet what is more important in this is the volume of earned media as with every game and follow-up media coverage (news in all media, press conferences, user generated content etc.) in a country with a deep passion for soccer, the simple fact of the team wearing their jerseys was a constant reminder throughout the year 2012 that the Bahia state blood reverses constantly need donors, thus solving the short-term problem (filling the blood stocks) and providing long-term education.

Roti Reminder is an educational campaign from soap brand Lifebuoy in India, during the Kumbh Mela congregation.

The Roti is a staple item that is served with every Indian meal that people eat it with their hands. Since the moment was a perfect timing opportunity to communicate a soap, manufacturer Unilever partnered with approximately 100 local dhabas (restaurants) and hotels to serve their customers rotis that were stamped with the text Lifebuoy se haath dhoye kya? (Have you washed your hand with Lifebuoy?).



The strongest point of this campaign is not necessarily the very creatively simple form of owned media and probably neither is the viral factor or the word of mouth, although it clearly excels at it. The strongest point is the very simple and very precise targeting and contextualization which makes this approach extremely attention grabbing and deeply embeds the message into the consumer's daily life and habits.



Shifting our attention towards Romania, one important campaign in 2012 was **Orange Romania's** campaign for the Orange PrePay service.

In a very competitive telecom market, to cultivate a positive brand sentiment attached to competitive offers is a necessity.

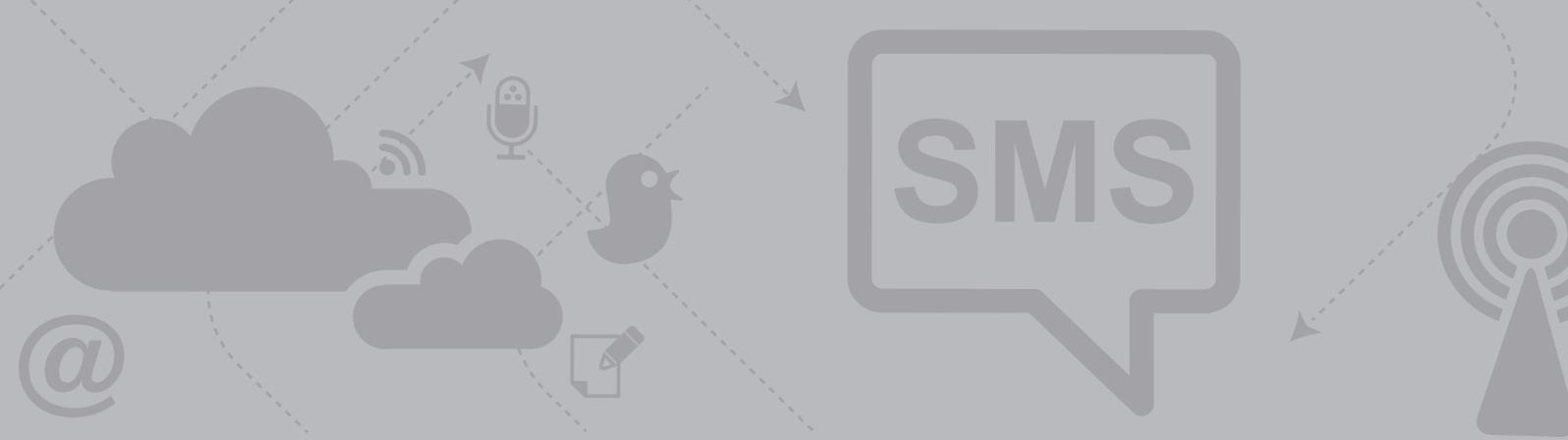
2012 saw Orange Romania bringing back Millidge and Doig, two iconic and very popular characters that Orange had previously used. Since their return was coming after almost 4 years of absence, the comeback had to be attention grabbing and impactful.

Initiative structured the communication campaign in two phases: a teasing and a revealing, and for both phases, a mix of both online and offline media was used.



The highlight of the teasing phase consisted of a series of outdoor installations showing Millidge and Doig sleeping in ice-pods, waiting to be woken-up in order to make their comeback. Since they were unique and very easily recognizable, the teasing managed to create a great feeling of expectancy as it was planned.

In the revealing phase, considering the consumer's liking for the two characters and well as their desire to collect Millidge and Doig merchandise, an installation was done in a highly trafficked subway station where the highlight consisted of a wall with key-holders that passers by could simply take away.

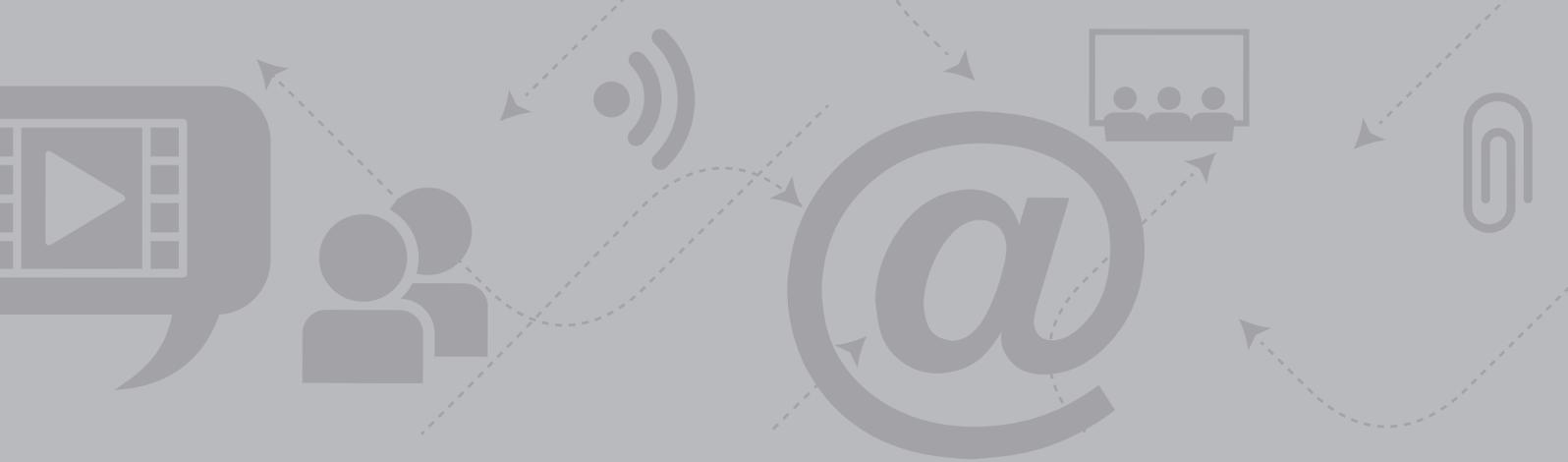


Also in Romania, beer brand **Staropramen** chose a simple and innovative to indoor communication: telling the brand story in an experiential way.

Created by Lowe & Partners, the project consists in an installation of pipes that form a network through which beer flows accompanied by sounds specific to beer consumption. The network exemplifies the manufacturing process for the brand and used 180 litres of beer flowing through 130 linear meters of visible pipes and was hosted in a highly trafficked subway station.

Brand elements completed the installation creating leads to content on other platforms where consumers were able to find out more about the brand's history and heritage.





One very simple and tested way to communicate the brand is to showcase its properties or the way it works, and precision scale manufacturer KERN brought this to a new level through **The Gnome Experiment**.



Since gravity fluctuates slightly throughout the surface of the globe, the brand created a kit consisting of a set of scales and a test weight – a gnome – to explore this phenomenon. No matter the part of the world, scientists can ask for the kit so they can weigh the gnome and upload their testing and findings on the project's digital platforms (website, Facebook page, Tumblr).

THE GNOME EXPERIMENT RESULTS THE EXPERIMENT OUR SCALES • KERN PRECISION SCALES

Gravty varies slightly, wherever you go. So can we measure this phenomenon with a set of Kern scales and our traveling assistant? [Watch the film](#) or explore the results so far:

Bigger pin = heavier result

WEIGH GNOME
FOLLOW GNOME

Share: [Facebook] [Twitter] [+]

A gnome in zero-g. How does my beard look? <http://t.co/1T2Mgh85Qpnc>

My weight in Florida, USA is 307.87g. <http://t.co/1U4smm8K>

Hello USA, I am in Florida for a weighing in a very interesting location. <http://t.co/1U4smm8K>

Have some great zero g photos from my adventures at the weekend. Do expect to blog them later!

Does anyone else have that weightless feeling today? #SpaceZero

The project has so far reached more than 150 countries and was the subject of a TED talk.

THE GNOME DIARY

The diary of a globe-trotting gnome investigating the variances in gravity around the world.

Find out about my experiment and see my results at [The Gnome Experiment](#)

Follow me or talk to me on Twitter @SpaceZero

Ask me anything

My blog All of Tumblr

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Latest Tweets

A gnome in zero-g. How does my beard look? <http://t.co/1T2Mgh85Qpnc>

My weight in Florida, USA is 307.87g. <http://t.co/1U4smm8K>

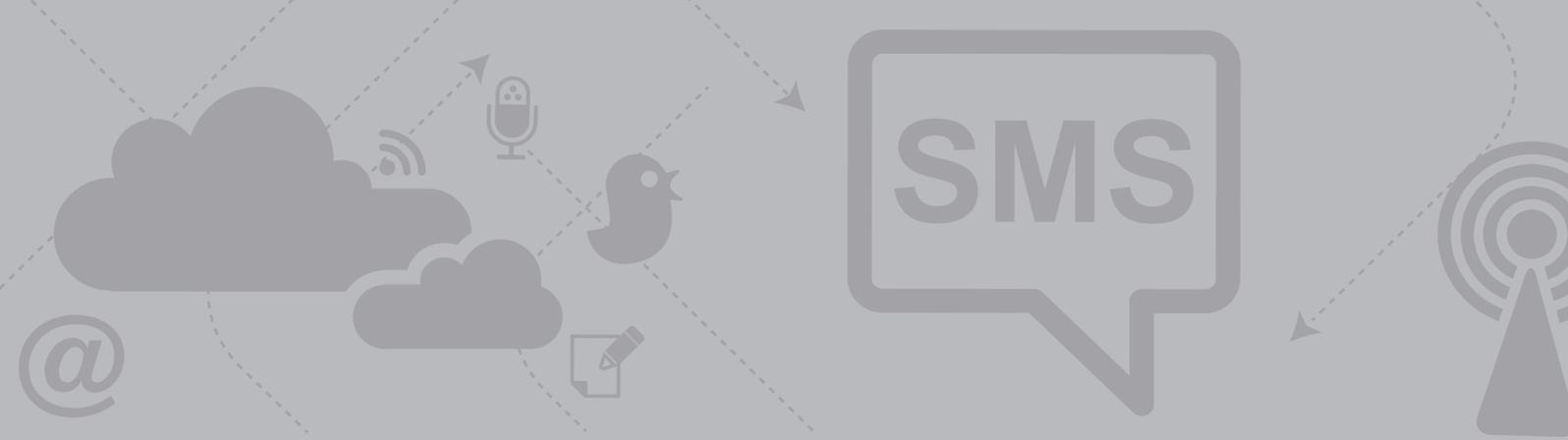
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Does anyone else have that weightless feeling today? #SpaceZero

Following

RSS Feed Random Archive Mobile



In the same line with the previous project but with a different twist, the Scrabble Stories project in Guatemala.

In a market that was a first entry for Scrabble, the product needed to showcase the essence and power of mixing letters, which is the quintessence of the brand. And in order to do that they took the letters of three popular children stories – Three Little Pigs (Los Tres Cochinitos), Little Red Riding Hood (La Caperucita Roja) and The Ugly Duckling (El Patito Feo) – and by mixing them they created another three new stories – Tres Chinitos Locos (Three Crazy Chinamen), Pau, El Carrito Caja (Pau, the Basket Case) and Pelotito Ofe (Little Ball Ofe) – that were displayed on public posters.



LOS TRES COCHINITOS

En el bosque vivían tres cochinitos optimistas; tres diminutos e ingeniosos marranitos, Denin, Depen, Pepen. Todo era armonía, unión y energía en este mágico sitio.

Un día un lobo apeteiente inició a merodear... con hambre los empezó a observar. Asustados fueron a construir sus refugios. El primero, Denin el más enano; fue a construir su vivienda de paja... —Mi casa será la primera en terminarse —mencionó.

El segundo, Depen, muy arrogante manifestó: —La mía será de madera. Será muy fácil construirla. El más grande, Pepen; quien era el más estudioso, inició a construir su vivienda de piedra.

Los otros cochinitos, se burlaron de él... —Podrán burlarse de mi casa, pero mi vivienda será la mejor —declaró Pepen, el cochinito mayor.

Mientras jugaban en el bosque, un día vieron al lobo apeteiente; asustados, se fueron corriendo a sus casas. Sin vacilar el lobo fue tras ellos. Al llegar a la casa de paja gritó: —Soplaré, soplaré, tu casa derrumbaré. El lobo agarró todo el aire que pudo y sopló. La casa no resistió y volando por la pradera desapareció.

El cochinito Denin, el enano; asustado se fue corriendo sin titubear, a la casa de su hermano Depen se fue a refugiar. El lobo vio, nada tonto; siguiendo el rastro a la casa de madera llegó... —Hoy doble ración he de comer —mencionó el lobo, mientras muy boyante él se sonreía.

—Soplaré, soplaré, a los dos cenaré. — El lobo sopló, la casa de madera tembló, en escombros se quedó. Los cochinitos Denin, Depen, asustados se fueron a esconder en la casa del hermano mayor Pepen, que con mucho trabajo construyó. —Hoy mi cena serán —declaró el lobo mientras los seguía.

Después de mucho correr, con la casa de piedras se encontró. El lobo muy confiado, agigantado, comenzó a gritar: —Soplaré, soplaré, a los tres me he de comer. Agarró todo el aire que pudo, sopló con mucha fuerza, pero la casa intacta quedó. Enojado por no lograr su cometido, buscó una forma de entrar; —Por la chimenea he de entrar, a los tres me he de comer —declaró el lobo mientras al techo subía... pero lo que no sabía, era que dentro de la casa una olla de agua caliente le esperaba.

El lobo por la chimenea cayó y en el agua caliente, quemado el rabo le quedó. Gritando, aullando, el lobo a pie se fue llorando, mientras los tres cochinitos Denin, Depen, Pepen, comiendo pepinos, papas, apios, felices celebraron; viviendo en este mundo embelesado.

A-214 B-33 C-76 D-85 E-207 F-36 G-23 H-221 I-112 J-8 K-0 L-188 M-59 N-113 O-0 Q-207 P-54 Q-12 R-139 S-135 T-71 U-22 V-15 W-0 X-0 Y-15 Z-3



TRES CHINITOS LOCOS

Hace mucho tiempo, en la República de China; se encontraba una diminuta aldea, rodeada de ríos y valles inimaginables.

En esta aldea pasó algo peculiar... en una noche de luna llena nacieron tres bebés a la vez; ni un segundo más, ni un segundo menos acabalaba. Nadie imaginaba que su irónico destino los llevaría a concebir grandes cosas.

Al crecer fueron desarrollando grandes habilidades; crearon máquinas fantásticas, solucionaron muchas enfermedades y resolvieron problemas grandes. Se hicieron una fama tan grande que traspasó fronteras, llegando a oídos del gran emperador, el Cabezilla Biliioso.

El emperador era un hombre que no se tenía que ofuscar por nada, sin embargo le temía a la muerte. Acalado, derrotado, obsesionado, con el terminar de sus días, llamó a los tres chinitos y les dio la labor de encontrar una solución a su problema. Los chinitos sin perder el tiempo empezaron a investigar, pensar, meditar... a resolver el enigma más grande.

Fácil pasaron días y noches trabajando, observando como el tiempo sin liberar hacía de las suyas. Fue en ese momento que se les colocó el foco loco, 11a respuesta por fin arribó a sus cabezas!

Acelerados fueron a ver al emperador y a todo pulmón gritaron: —Paraaaaa deteneeeeeer laaaaaa muerteeeeeeeeer, debemoos deteneeeeeer el tiempooo. El palacio permaneció en silencio...

—¿Acaso son ustedes locos, locos, locos? —Dijo el emperador, seguido de una gran risa boba que contagió a todos en el castillo. —¡Quiero otra solución! —Enunció el emperador; los chinitos... locos, se pusieron a trabajar. Intentaron de todo, con tantas cosas; y poco a poco fueron agotando sus recursos.

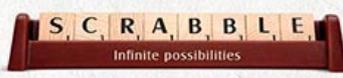
Una tarde mientras tomaban un descanso y compartían un tiempo juntos, por fin pudieron comprender, —Lo hay hoy y lo hay ahora, el tiempo no se puede detener, es antinatural.

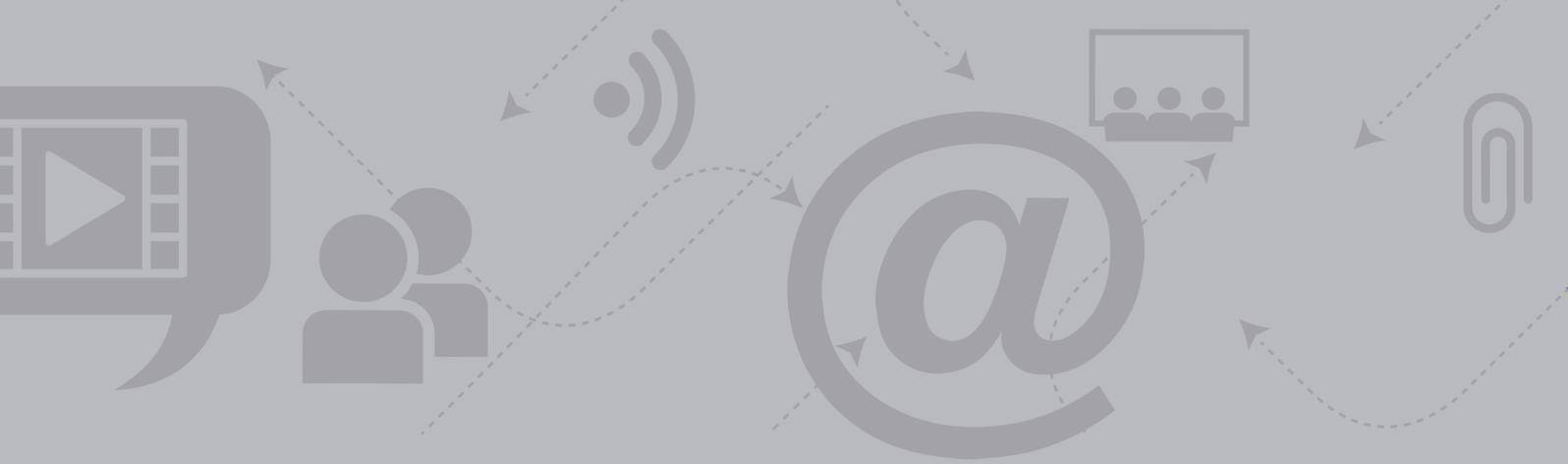
Al día siguiente fueron a ver al emperador y le dieron una solución: —La muerte y el tiempo no se pueden detener, pero le podemos decir, puede cambiar, precípense más por vivir que por morir.

El emperador quedó con la boca abierta, los chinitos no estaban locos después de todo, —Oh, ha sido la mejor resolución a mi problema —dijo el emperador. Los chinitos felices por lograr su cometido regresaron a su aldea y lo último que se supo de ellos es que, efectivamente se volvieron locos, pero por la vida.

A-214 B-33 C-76 D-85 E-207 F-36 G-23 H-221 I-112 J-8 K-0 L-188 M-59 N-113 O-0 Q-207 P-54 Q-12 R-139 S-135 T-71 U-22 V-15 W-0 X-0 Y-15 Z-3

TWO TALES, SAME LETTERS





The resulting stories had exactly the same letters as the original ones in terms of number and proportion of each letter, communicating the brand essence and aweing the people.

Schopenhauer once said that one should use common words to say uncommon things. While not totally practicable in advertising, there is no doubt that one can definitely use simple media to convey uncommon messages and experiences.

At the end of the day, media convergence does not make complexity mandatory. It is true that some tasks and objectives will require complex resources or processes to be used in order to achieve the desire results, but simple solutions can be just as effective and impactful, with just a fraction of the investment.

And what is even more beautiful in the media convergence perspective – besides the countless possible ways to use simplicity – is that, when approaching communication in a convergent manner, the fact that everything can become media is truer than ever.



OVERVIEW

Two important events related to media measurement and monitoring happened in 2012.

The first one saw Kantar Media starting to deliver TV audience data starting January 2012. As with any transition, there was a short period of fluctuating data and incongruities, but things eventually stabilized. Also to be noted it that 2012 and the beginning of 2013 saw an increase in the number of monitored TV stations, reaching a total number of 61 at the current moment.

The second important event happened under the BRAT umbrella and consisted in the launch of the OOH campaign monitoring, this bringing to 5 the number of media benefitting from syndicated monitoring alongside TV, Print, Radio and Internet.

The financial cautions of both media owners and agencies involved in managing and sustaining syndicated research continued to impact, at least in principle if not in fact, over these products, maintaining a sense of conflict between cost pressure and the need for quality.

TV MEASUREMENT

Audience measurement for TV is available since 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.

Kantar Media started its role as provider of audience data for the TV Audience Measurement (TAM) study starting January 2012, thus ending the GfK Romania commission for the project. The change in providers also meant implementing a new study panel of households (while keeping the study universe the same) which, together with the transition per se, generated fluctuations and temporary incongruities in the audience data in the first quarter of 2012.

TAM system is a quantitative research, which measures the TV usage among Romanian population: the minute by minute viewing, 24/7, using telecontrol peplemeters. The universe contains all private households in Romania with a working television and all individuals aged 4+ in those households. People who have spent last year more than 3 consecutive months outside the country are classified as 'migrants', and are not included in the research universe. The gross installed panel is 1320 households and reporting panel of households is 1200. Viewing by guests in a panel member's home is measured as a surrogate for the viewing by panel members who take place in other homes. The exact age and gender of guest viewers are collected.

Kantar Media Audiences Romania introduced consolidated viewing since January 1st, 2012. Consolidated viewing is defined as live viewing plus any time-shift viewing taking place within seven days of the original transmission.

At the end of 2012 there were 58 monitored and reported TV stations.

Monitoring data is available from a relatively wide range of providers, although only the TAM service provides performance data for TV spots alongside with correction factors for spots with length different from 30".

The software tool for exploiting both audience and monitoring data is InfoSysTV+, an upgrade to the previously used InfoSys TV, that was introduced as of January 2012



INTERNET MEASUREMENT

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

The hybrid 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 a number of 264 websites and 37 mobisites together with streaming measurement for 3 websites.

Traffic measurement is delivered through two main access points: the Scores on-line application for the complete data and the SATI website for 3 general main metrics. Traffic data started being delivered by SATI since October 2007.

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.

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

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 3 months, with weekly averages being given. SATI measures the audience (number of visitors per week) of the websites, for the people, 14 – 74 years old, living in urban areas. The methodology used is a hybrid one, the method for data collection for the profiles is CAWI (computer assisted web interview).

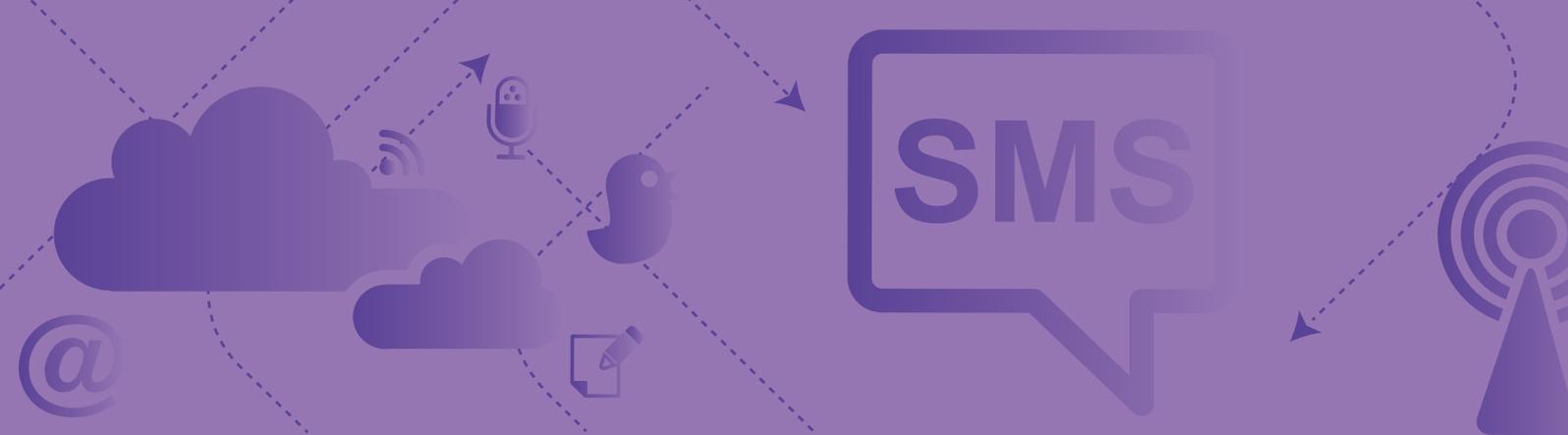
Basic demographics along with general Internet usage and some consumption variables are available.

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 has is delivered by BRAT since August 2011 through the MIPO project. Currently the study tracks the campaigns of its members on a number of 2.800 websites belonging to both BRAT members and non-members. Starting 2013, BRAT implemented a spider technology in the MIPO project and now monitors the presence of all online campaigns, with no restriction regarding the whether or not the campaign belongs to a BRAT member.

Previous to this launch, the PriceWaterhouseCooper audit of the level of Internet advertising expenditures was the only industry recognized provider of such kind of data..





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). Currently IMAS Marketing & Polls and GfK Romania are responsible with the data collection and reporting. 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.

The software for data analysis has been upgraded to MasoR8 (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.

The first delivery of radio audience data in 2011 contained data collected by means of CATI (computer assisted telephone interview), a change in the data collection method decided and implemented by ARA in 2010.

Monitoring data is delivered by BRAT, through the MIPR project, since July 2011 and is currently monitoring 8 main radio stations.

PRINT 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: 3rd of March, 3rd of June, 3rd of September and 3rd of December.

Presently BRAT audits an approximate number of 260 publications, both national and local.

Audience measurement is offered through the SNA-Focus study, which offers, besides readership measurement 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 74 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 120 publications, all of them being BRAT members.



The main metric offered by SNA-Focus in the AIR (Average Issue Readership), which measure the number of people reading an average issue of the given title. The method used to measure the audience in the 'recent reading method', the only method used and accepted in almost all the countries in Europe and across the world for the print measurement.

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.

The SNA-Focus has undergone a complete update during 2010 and the beginning of 2011. A new data collection tool (CAPI – computer assisted personal interview) will be used for the readership component of the study. Also, the FOCUS questionnaire was completely updated and the universe was extended to individuals aged 14 to 74 years old. As a result of these changes, deliveries for SNA-Focus databases have been stopped as of H1 2011, with the first data collected in the new configuration having been delivered at the beginning of 2012.

Further changes in methodology are expected to be implemented (changes in sample size, change of respondent selection method, partial migration of data collection through CAWI etc.)

Monitoring data is also delivered by BRAT, through the MIPPS project. The project started delivering data in January 2011 and is currently monitoring more than 290 publications.

OOH MEASUREMENT

Under the BRAT umbrella, a new study meant to monitor OOH campaigns has been developing since the end of 2011 and continuing in 2012. The MIPOOH project is being implemented with the contribution of 10 media owners (with a cumulated number of 20000 faces) and 11 media agencies, which are members of the BRAT department which has been created in this purpose.

The study delivered its first data in May 2012 and continuously since then and the results are integrated in the same on-line platform used for the Print, Radio and Internet monitoring.

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 are available, in variable amounts, to media agencies.

Demographic profiles and data concerning the consumption of brands and services by cinema goers are indirectly available from the SNA-Focus. Starting 2012 the results are available for the main Cinema chains, for the big cities, and for type of cinema in the rest of the cases.

PERSPECTIVES FOR 2013

Despite the financial pressure, there is common consent that syndicated research should continue to deliver quality, relevant and comparative data, which puts a clear limit to the degree of acceptable methodological alterations.

Subsequently, there is a growing sense of consent for shifting to a more consolidated methodological solution that would see several media being joined under the same syndicated study, single source audience measurement, a higher degree of on-line data collection and so on.

In the overall market, on-line data collection techniques are still on a growing trend, not just for quantitative research but for qualitative as well, with telephonic data collection being another widely used technique.



INTEGRATED COMMUNICATION SERVICES



LOWE Group is one of the leading marketing and communication powerhouses in Romania. Established in 1993, with the launch of LOWE & Partners, one of the first advertising agencies in Romania, LOWE means today 7 operating companies covering the entire spectrum of marketing services: LOWE & Partners (advertising), Initiative (media), Brand Connection (media), GolinHarris (PR), Hyperactive (digital advertising), MobileWorks (mobile marketing) and Medic One (healthcare communication). LOWE places a great importance on

digital communication. With Senior Hyperactive as the digital heart of the group and Mobile Works as its mobile marketing core, LOWE is a hub of digital techies, having more than 60 digital experts dispersed throughout the companies.

Celebrating 20 years of work & passion, Lowe & Partners is one of the first advertising agency in Romania, now one of the leading integrated communication solution powerhouse in the local market. Lowe & Partners is part of Lowe&Partners Worldwide, with offices in over 90 countries and over 9.000 employees around the world.

The agency was awarded for its local creative campaigns at prestigious international Festivals such as Epica, Clio, New York Festivals, Cresta, Golden Hammer and also locally at Effie, Ad'Or, AdPrint, ADCro.

The agency is recognised for smart strategic thinking combined with innovative creativity and excellent implementation to address each client's needs individually. Lowe& Partners has long-standing reputation for building tangible business advantages for its clients through creativity. With regards to digital and new technology, the agency signs the new generation of brand experiences that become best practices within the region.

The logo for Initiative, featuring the word 'initiative' in a blue sans-serif font.

initiative

Founded in 1994, **Initiative** was the first multinational full-service media agency to enter the Romanian market. Initiative is one of the biggest media networks in the world, ensuring services of planning and media buying, strategy, media consultancy and new media. Member of Interpublic Group of Companies and affiliated to international network Initiative Worldwide, Initiative Romania has

implemented its global proprietary tool called a working model which feeds innovation and efficiency in the unique purpose of maximizing client ROI. As part of the Performance Pathway, the Matrix V6 is a unique tool which optimizes the communication and media mix based on communication and target-brand interaction objectives, while also providing post-campaign performance analysis. Both tools are built for multi-country integration and are powered by local data and know-how. Taking on its market leader position, Initiative has published numerous research studies dedicated to marketers and communication industry. One of them, Media Fact Book, which Initiative has been publishing since 1997, is the only comprehensive analysis of the Romanian media market.

The logo for BPN, featuring the letters 'b', 'p', and 'n' in a stylized, lowercase font with orange and grey colors.

bpn

BPN is the newest media agency of the international network IPG MediaBrands. Our approach at BPN is to develop an integrated brand programming strategy, drawing on all marketing disciplines that will deliver audience attention by connecting brands to the right audiences at the optimal moment when they are most attentive. We combine media planning and buying, real-time analytics, active decision making, and key partnerships with media owners to maximize a client's media capital.



PR competences are subsumed under one name: **GolinHarris**.

GolinHarris Bucharest is an affiliate of GolinHarris Worldwide, one of the most valuable PR networks in the world. Awarded International Agency of the Year 2012 by PRWeek Awards, GolinHarris was also ranked number 1 in The Global Agencies of the World Report issued annually by PRWeek and recently the Holmes Report Agency of the Year 2013.

A multi-awarded full-service PR agency, GolinHarris Bucharest is the agency behind some of the most memorable and creative campaigns in Romania. GolinHarris Bucharest is a top player in the Romanian PR industry, top ranked as regards creativity, efficiency and quality of partnership with clients - top ranking in the 2012 UAPR Client Satisfaction Survey and by the title PR Agency of the Year 2010 in Romania.

In 2012, GolinHarris reinvented the traditional PR agency and launched the g4 model. We live in a digital era, a world in which every person acquires the prerogatives of an opinion former and in which the brand needs to maintain a permanent dialogue with the consumers. In this world, the media channels cannot function otherwise than in an integrated way and PR no longer means media relations, but the ability to simultaneously place the message in the earned, owned, shared & bought media.



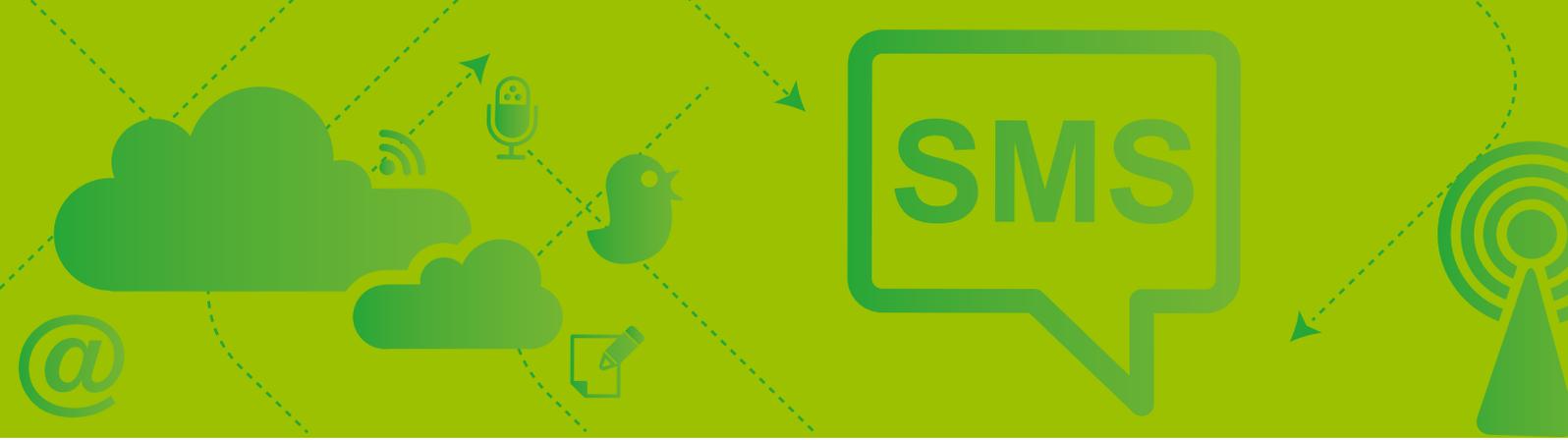
SENIORHYPER is one of the most powerful digital companies on the Romanian market, a full-service interactive agency, servicing both local and international brands. SENIORHYPER was recently established through the merger of two important agencies, Hyperactive and Senior Interactive. Through its one of a kind structure and combined capabilities, SENIORHYPER is in a unique position on the market, delivering enticing digital brand experiences for the audience and, moreover, measurable results for its clients' businesses.



Established in 1999, **Medic One** is the specialized healthcare communication company of Lowe Group, being the first full service agency specialized in this field in Romania. The agency ensures consultancy services and creates integrated campaigns of medical communication targeting professionals, patients or general public. Medic One is the first healthcare communication agency that exported successful companies to other countries, being also acknowledged with important awards across the industry. The agency is a unique combination of medical background and advertising expertise, ran by a doctor

with over 20 years experience in advertising, Oana Cociasu. With a team of professionals specialised exclusively in medical projects, Medic One offers an array of specific services from strategic insight and guidance, consulting services, creation, strategy and implementation of integrated communication campaigns in offline and online.





Established in 2012, **Mobile Works** is the first full service mobile marketing agency in Romania. In 2013, MobileWorks acquires the majority share in Magnetic Studios, becoming the first mobile marketing agency to own a development lab. Our aim is to understand the humans behind the mobile consumers and offer them the most immersive and relevant mobile communication solutions. In order to reach our customers' objectives, we offer research, strategy, creation, development and implementation services using all relevant mobile marketing communication tools.

Being a multidisciplinary group of companies, means each of us is different. Yet beyond this specialization lies our capability and appetite for working together on integrated communication projects. And brands like Beck's for example have fully been in contact with our approach.

We started by delivering them media services. Then creative followed together with digital and brought in mobile as well. And through expertise, proactivity, convergence, accountability and passion we integrated all these services into a coherent and effective whole.

MORE PRECISELY, HOW DOES THIS WORK?

Well, **expertise** is something we offer Beck's in two ways. One is the direct way in which we position ourselves as not only implementers of the best possible solutions but also as consultants for the brand. The other, indirect way, consists of the knowledge and skills we share between ourselves in our various functions and competencies. All this is accompanied by very clear internal and external quality standards, clear working flows and clearly designated responsibilities.

Proactivity is something that characterizes our work approach both individually and as a group. We regard each brief as a potential of going beyond what is requested and we use our common status meetings as opportunities to explore new ideas for Beck's from a multidisciplinary point of view while also taking into account our specific tasks and directions.

Convergence is when we come together and harmonize our different points of responsibility and competence into a whole integrated strategy for Beck's. Be it a yearly communication strategy or a tactical project brief, our best asset is not our diversity, but the way in which we can converge it towards a single point and create a uncomplexity out of sometimes very different elements and objectives.

Accountability means that for everything we do we set clearly measurable objectives that we take the responsibility of achieving. This is because, at the end of the day, we work for quantifiable results and each of us and together as a group, play a specific part in a bigger picture which is how well Beck's performs on the market.

And last but not least, there is passion which binds us together. There is the passion for what we do individually, there is a **passion** for what we can build together and, most importantly, there is a passion for the brand. This passion motivates us beyond any contractual specifications, briefs or job descriptions...it motivates us to always go for more and better.

All these pillars enable us to deliver integrated, intensively engaging and experiential project like Beck's Art Label and make Beck's a winning brand on the market!



initiative



initiative

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