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FOR IMMEDIATE RELEASE

GROUPM REVISES GLOBAL 2013 AD SPENDING FORECAST TO 4.5% GROWTH

U.S. Ad Spending Expected to Rise Only 2.7%

NEW YORK—Continued sluggishness in the U.S. and European economies will contribute to a 4.5 percent advertising spending increase in 2013, according to a new study from GroupM. The forecast is almost a full percentage point lower than the 5.3 percent spending hike GroupM predicted in June.

The revised spending forecast was made in GroupM's biannual worldwide report, "This Year, Next Year," which also concluded that 2012 advertising spending in measured media will hit $508 billion, a 4.6 percent increase over 2011 spending of $486 billion.

The 70-country forecast predicted that global ad spending in 2013 will increase 4.5 percent compared to 2012, representing $531 billion. It was prepared by GroupM Futures Director Adam Smith and released today at the UBS Global Media and Communications Conference in New York.

For the U.S. market, the report said advertising investment in measured media grew 3.5 percent in 2012 to $152.4 billion, up from $147.2 billion the previous year. For 2013, the new report predicted a less optimistic 2.7 percent increase to $156.5 billion.

"Ad spending in 2013 won't enjoy the boost from Olympic and election-year spending we saw in 2012," said GroupM Chief Investment Officer Rino Scanzoni. "At the same time, overall economic conditions in the U.S. do not support more than very moderate advertising spending expansion."

Smith said ad investment in the Eurozone periphery (Greece, Ireland, Italy, Portugal and Spain) is expected to fall 15 percent this year, a 40 percent contraction from its peak spending year of 2007 and comparable in real terms to 1998 spending levels.

“Western Europe is the slowest region for ad spending growth, with a 2.6 percent contraction expected in 2012, the worst year since 2009's 11 percent collapse,” said Smith. “Western Europe now accounts for 20 percent of global advertising, down from 30 percent in 1999 and heading for 17 percent in 2017.”

He added that Russia and Turkey continue to lead ad spending growth in central and Eastern Europe, a regional economy that is one-fifth the size of Western Europe but with twice the ad spending growth.

The study is part of GroupM's media and marketing forecasting series drawn from data supplied by parent company WPP's worldwide resources in advertising, public relations, market research, and specialist communications.

DIGITAL SPENDING UP

The report predicted that investment in digital media would account for 19.5 percent of measured ad spending globally this year ($99 billion) and 21.4 percent in 2013 ($114 billion), with respective growth rates of 16 percent and 15 percent. Those figures are comparable to the GroupM forecast made earlier this year.

“Digital ad growth remains strong, sustained and structural, though one or two highly-digitized European markets now look for growth in usage as opposed to new users,” said Smith. “More newsworthy is our rising dependence on digital to support total growth, now furnishing over 60 percent of new incremental ad dollars in 2012 and 2013. This produces a reciprocal reduction in TV’s contribution, being the only other large growth medium.”

In other media categories, TV accounted for 43 percent of measured global media investment in 2012, the same amount recorded for the previous year.

“We continue to predict TV's share of global ad budgets peaking in 2012 at 43 percent as other screens begin to claim meaningful amounts of consumer time,” Smith said.

Media USD m, current prices

		2011	2012f	2013f
NORTH AMERICA		**160,158**	**165,762**	**170,144**
	yoy %	3.2	3.5	2.6
LATIN AMERICA		**27,702**	**30,855**	**34,688**
	yoy %	12.8	11.4	12.4
WESTERN EUROPE		**105,054**	**102,301**	**102,906**
	yoy %	0.9	-2.6	0.6
CENTRAL & EASTERN EUROPE		**18,083**	**19,322**	**20,641**
	yoy %	12.7	6.9	6.8
ASIA-PACIFIC (all)		**157,616**	**170,986**	**181,971**
	yoy %	7.9	8.5	6.4
NORTH ASIA		**71,847**	**79,580**	**87,014**
	yoy %	15.4	10.8	9.3
ASEAN		**13,640**	**14,948**	**16,468**
	yoy %	11.7	9.6	10.2
MIDDLE EAST & AFRICA		**17,079**	**18,664**	**20,612**
	yoy %	5.3	9.3	10.4
WORLD		**485,693**	**507,891**	**530,962**
	yoy %	5.1	4.6	4.5

Media yoy% adjusted for CPI

	2011f	2012f	2013f
NORTH AMERICA	0.1	1.5	0.8
LATIN AMERICA	6.5	5.8	6.8
WESTERN EUROPE	-1.7	-4.5	-1.0
CENTRAL & EASTERN EUROPE	3.9	0.3	-0.2
ASIA-PACIFIC (all)	3.9	6.3	3.8
NORTH ASIA	9.6	7.6	6.3
ASEAN	5.8	4.9	5.5
MIDDLE EAST & AFRICA	-1.1	2.1	2.6
WORLD	1.3	2.0	1.8

ABOUT GROUPM

GroupM is the leading global media investment management operation. It serves as the parent company to WPP media agencies including Maxus, MEC, MediaCom, and Mindshare. Our primary purpose is to maximize the performance of WPP's media communications agencies on behalf of our clients, our stakeholders and our people by operating as a parent and collaborator in performance-enhancing activities such as trading, content creation, sports, digital, finance, proprietary tool development and other business-critical capabilities. The agencies that comprise GroupM are all global operations in their own right with leading market positions. The focus of GroupM is the intelligent application of physical and intellectual scale to benefit trading, innovation, and new communication services, to bring competitive advantage to our clients and our companies.

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