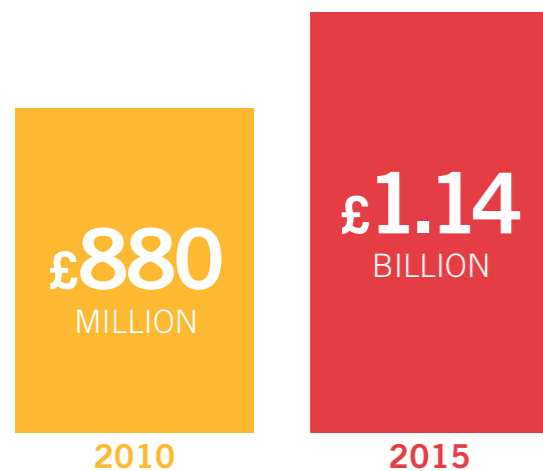


THE CUSTOMER PUBLISHING INDUSTRY 2011

1

REVENUES ARE REBOUNDED UPWARDS

ESTIMATED MARKET SIZE



Content marketing industry set to grow by up to 12 per cent

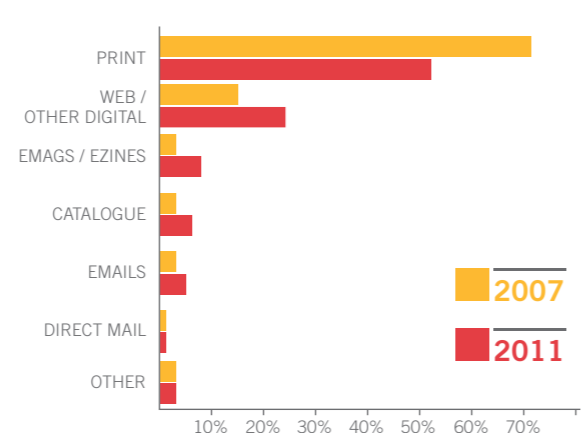
2011 total turnover is forecast to return to the 2008 high and achieve year-on-year growth rates of up to 12 per cent. Growth is being realised by stability in the print market and increased recognition of the importance of digital dialogues by brands with their customers, meaning the industry is a truly multi-channel content centred industry.

“Tough but the industry has proved to be robust. A changing media landscape and tough economy has put a premium on strategic thinking.”
 Customer Publishing Agency

2

PRINT AFICIONADOS BECOME MULTI-MEDIA COGNOSCENTI

DIVERSIFICATION OF FORMATS



Source: APA Member Survey/Mintel Research Consultancy

Multi-channel content initiatives increases the industry's reach

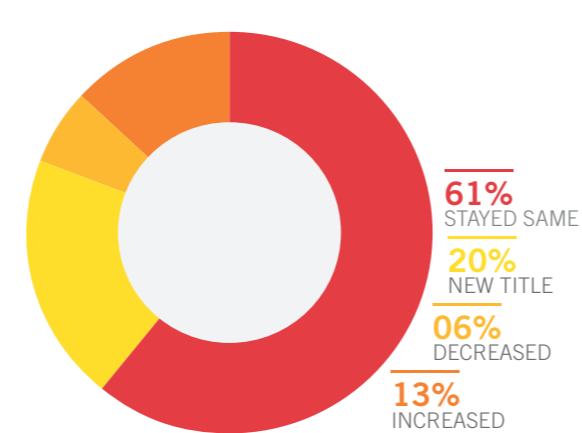
Significant diversification into formats other than just print have meant an increased level of multi-channel content initiatives increasing the industry's overall reach. Print is still of central importance accounting for 52 per cent of the industry, however digital is expected to overtake and become the dominant channel by 2013.

“But overall we now have to approach content delivery in a more integrated, strategic way than ever before.”
 Customer Publishing Agency

3

PRINT HAS A PLACE AND IS HEALTHY

PAGINATION IN PRINT TITLES



Source: APA Member Survey/Mintel Research Consultancy

Pagination has stayed healthy

Print titles remain healthy with very few publications being trimmed of pages. Post is the most widely used distribution method (60 per cent).

“The industry is set to move into a significant period of growth when other channels are continuing to struggle with the continued economic uncertainty. Customer publishing was born out of entrepreneurialism and as a result it is extremely nimble. Our members have been quick to respond to market conditions by diversifying their offering through digital and stabilising their print heritage. With brands increasingly recognising the strengths of a multi-media content this is an exciting time for content marketing.”

Julia Hutchison,
 Chief Operating Officer,
 Association of Publishing Agencies.

4

IN CHALLENGING TIMES AGENCIES HAVE WORKED MORE EFFICIENTLY

MORE EFFECTIVE PITCHES

	2006	2008	2010	CHANGE
NUMBER OF PITCHES	225	379	510	101%
AVERAGE PER COMPANY	9	17	22	175%
AVERAGE PERSON DAYS INVESTED PER PITCH	33	16	21	-16%
AVERAGE PITCH CONVERSION RATE	41%	37%	41%	5%
AVERAGE PITCH INVESTMENT	£6,071	£3,797	£5,849	-33%

*from 2005 to 2010

Source: APA Member Survey/Mintel Research Consultancy

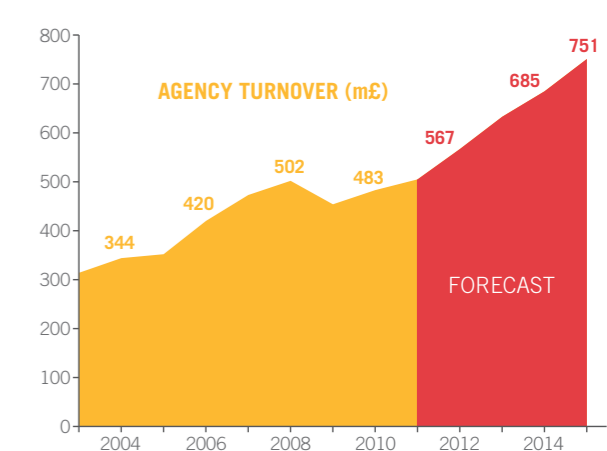
The average number of pitches has almost trebled since 2005

Pitch investment is now more tightly controlled so the average spend in 2010 was a third lower than in 2005. In the tougher economic climate agencies have stepped up their efforts to win business and have done so more effectively in terms of hours and money spent.

5

A SENSE OF CAUTIOUS OPTIMISM PERVADES

FORECASTED REVENUES



Source: APA Member Survey/Mintel Research Consultancy

The sector is forecast to be a billion pound industry by 2013

Agencies' own strategic thinking and investment in innovation are providing a degree of incubation and buoyancy. A flourishing digital sector has also meant new opportunities for both clients and agents and has therefore generated creativity and growth.

“Whatever we do, whatever the campaign it has to cut across all channels. So it's not just about being in print, or online; whatever the touch point might be – whether it's CRM, advertising, and whether print or online we are developing much more integrated campaigns that have greater impact. And that's where I think the future is.”
 (Grocery Retailer)