



Q4 2015 QUARTERLY UPDATE

AUSTRALIA

Q4 2015 QUARTERLY REPORT SUMMARY

INTRODUCTION

To help marketers and agencies better understand the programmatic landscape, we've made some additions and changes to this report. We will continue to feature valuable information on industry growth and economics. To that we have added key performance metrics like clicks and completions. For all these measures, we now also report on mobile and other ad formats wherever possible.

	DESKTOP	CONNECTED TV	MOBILE
PRE-ROLL INVENTORY			
Daily Average	389,294,247	10,289	40,964,810
Change: Quarter over Quarter	-5%	-13%	-23%
Change: Year over Year	69%	69%	434%

PRE-ROLL CPMs			
Q4 2015	\$18.16	\$15.75	\$16.07
Change: Quarter over Quarter*	-4%	-53%	2%
Change: Year over Year*	-11%	36%	-10%

*Denotes rate of change.

PRE-ROLL COMPLETION RATES			
Q4 2015	75%	58%	68%
Change: Quarter over Quarter*	-1%	-39%	8%
Change: Year over Year*	-8%	-36%	53%

*Denotes rate of change.

	15 SECONDS	30 SECONDS
MIX OF PRE-ROLL IMPRESSIONS BY AD DURATION: DESKTOP		
Q4 2014	64%	36%
Q3 2015	62%	38%
Q4 2015	59%	41%

MIX OF PRE-ROLL IMPRESSIONS BY AD DURATION: MOBILE		
Q4 2014	55%	45%
Q3 2015	62%	38%
Q4 2015	77%	23%

SUMMARY

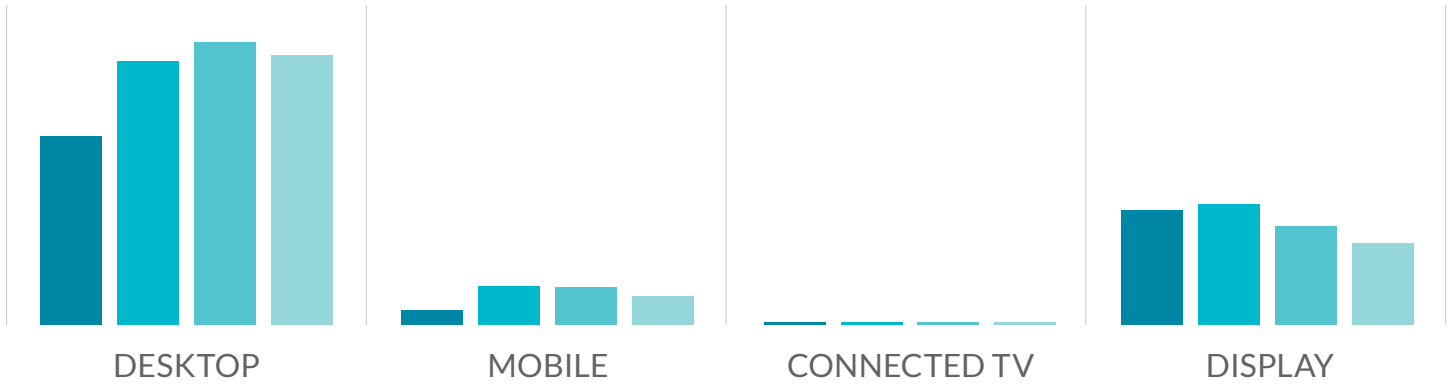
In Australia, inventory is up from last year across all formats. Mobile inventory was up over 400% from a year ago and topped the list. On a quarter over quarter basis, pre-roll dropped marginally and still remains high at an average of 389M impressions per day.

Mobile inventory declined from last quarter, continuing the volatility we have seen since 2014. On an annual basis, Mobile continues to show rapid growth and we expect it to stabilise as we move into 2016

The mix of 15-second and 30-second ads has changed over time. Last year, 15-second spots took over 60% of impressions, but 30-second spots are gaining more share and now represent 41% of impressions.

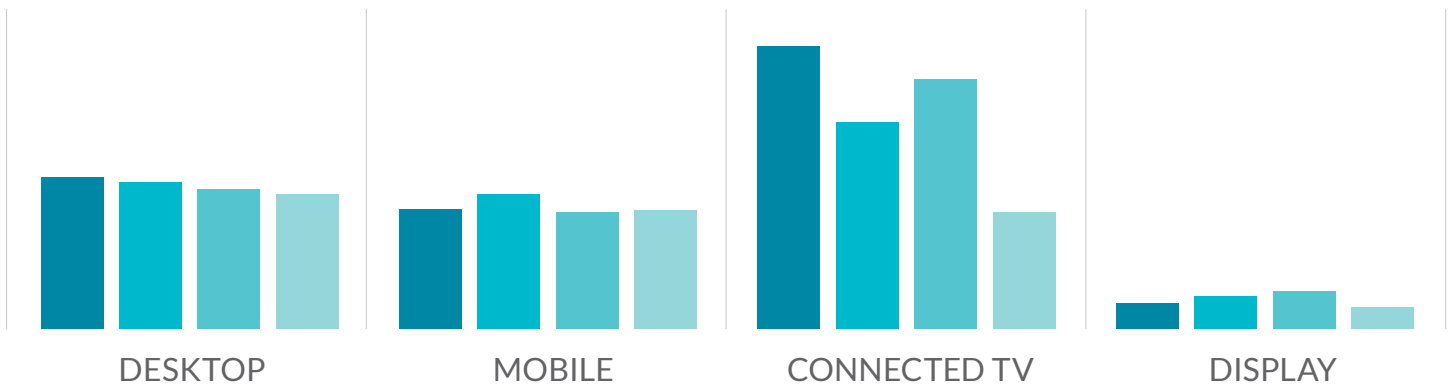
As viewership behaviours shift to mobile, so too have advertisers. One year ago, mobile represented 7% of impressions and grew to over 12% in Q4 2015.

INVENTORY TOTAL - BY FORMAT Q1-Q4 2015



	DESKTOP	MOBILE	CONNECTED TV	DISPLAY
Q1 2015	24,779,386,660	1,884,531,842	455,141	15,069,784,282
Q2 2015	34,682,001,135	5,087,834,948	753,029	15,806,708,568
Q3 2015	37,171,990,702	4,872,222,639	1,072,604	12,909,688,986
Q4 2015	35,425,776,482	3,727,797,739	936,289	10,745,728,059

PERFORMANCE METRICS - AVERAGE CPM



	DESKTOP	MOBILE	CONNECTED TV	DISPLAY
Q1 2015	\$20.43	\$16.12	\$38.23	\$3.41
Q2 2015	\$19.75	\$18.14	\$27.91	\$4.35
Q3 2015	\$18.86	\$15.74	\$33.78	\$5.02
Q4 2015	\$18.16	\$16.07	\$15.75	\$2.86

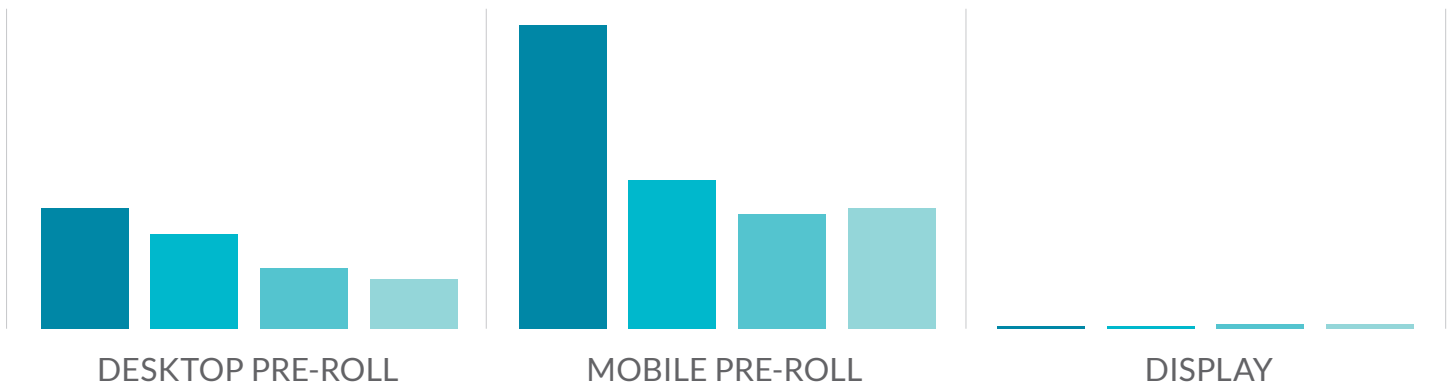
PERFORMANCE METRICS - AVERAGE PRE-ROLL COMPLETION RATES BY QUARTER



	DESKTOP	MOBILE*	CONNECTED TV
Q1 2015	78%	51%	85%
Q2 2015	77%	57%	92%
Q3 2015	76%	63%	95%
Q4 2015	75%	68%	58%

*Note: This includes some skippable mobile inventory

PERFORMANCE METRICS - AVERAGE CLICK RATES BY QUARTER



	DESKTOP PRE-ROLL	MOBILE PRE-ROLL	DISPLAY
Q1 2015	0.6%	1.4%	0.01%
Q2 2015	0.4%	0.7%	0.01%
Q3 2015	0.3%	0.5%	0.02%
Q4 2015	0.2%	0.6%	0.02%

PERFORMANCE METRICS - PRE-ROLL VCPM



	DESKTOP PRE-ROLL	MOBILE PRE-ROLL	CONNECTED TV
Q1 2015	\$105.93	\$23.20	\$42.14
Q2 2015	\$145.63	\$24.35	\$29.07
Q3 2015	\$138.85	\$19.13	\$34.20
Q4 2015	\$64.61	\$18.50	\$19.52

FORMAT MIX - PERCENT OF TOTAL IMPRESSIONS BY QUARTER



	Q1 2015	Q2 2015	Q3 2015	Q4 2015
DESKTOP	78%	79%	81%	85%
MOBILE	11%	11%	12%	12%
DISPLAY	11%	10%	7%	3%
CTV	0%	0%	0%	0%
TOTAL	100%	100%	100%	100%

AD LENGTH - PERCENT OF DESKTOP PRE-ROLL IMPRESSIONS



	Q1 2015	Q2 2015	Q3 2015	Q4 2015
15 SECONDS	60%	60%	62%	59%
30 SECONDS	40%	40%	38%	41%
TOTAL	100%	100%	100%	100%

AD LENGTH - PERCENT OF MOBILE PRE-ROLL IMPRESSIONS



	Q1 2015	Q2 2015	Q3 2015	Q4 2015
15 SECONDS	48%	57%	62%	76%
30 SECONDS	52%	43%	38%	24%
TOTAL	100%	100%	100%	100%

GLOSSARY OF TERMS

Completion

A completion event occurs when a video ad plays through to the end.

Cost-per-minute viewed

The cost of the ad divided by the number of minutes the ad is played for.

CPM

The price of 1,000 ad impressions.

Interactive In-App Pre-Roll

Video ads containing rich media or interactive functionality running in-app on smartphones or tablets. Interstitial ads playing in-app expand to full screen unless viewer exits.

Interactive Pre-Roll

In-stream video ads that play before video content and feature interactive and rich media elements, such as overlays, video galleries, microsites, zip code locators, etc.

Inventory

The number of available ad impressions.

Lift

The increase in effectiveness measurements (e.g., message recall) between respondents who did not view the ad and those who did.

Message Recall

A measurement used to evaluate an ad's effectiveness at driving a viewer's ability to remember a brand or the message it intended to communicate. Typically measured using a control/exposed survey methodology.

Mobile Pre-Roll

Video ads with standard functionality, such as click throughs, running on smartphone or tablet devices. Can be in-stream (i.e. mobile browser) or in-app (e.g., Words with Friends). Interstitial ads playing in-app expand to full screen unless viewer exits.

Skippable Pre-roll

In-stream video ads that allow viewers to skip ahead to their video content after playing for a few seconds.

Standard Pre-Roll

In-stream video ads that play before video content.

Viewable Completion

A viewable completion event occurs when a video is viewable (see: "viewable impression") at the end of ad play.

Viewable Impressions

Number of measurable pre-roll video impressions that were viewable for any two consecutive seconds in the viewable browser area (at least 50% of the player is in view) of an active tab

Viewability Rate

Percentage of measurable impressions that were viewable

Viewable CPM (VCPM)

A pricing model that accounts for the cost of media and the viewability rate of that media. To calculate VCPM, divide the eCPM by the viewability rating.

METHODOLOGY

Data for this report is derived from campaigns executed on the TubeMogul Platform from January 2015 through December 2015, spanning millions of pre-roll, mobile pre-roll, connected tv and display ad views.

“Mobile inventory” is an aggregate of mobile pre-roll inventory and mobile interactive inventory. CPMs are the cost-per-one-thousand impressions. Mobile CPMs are an aggregate of mobile pre-roll and mobile interactive impressions.

Completion rates are the number of completed ads divided by the total ad impressions. Click rates are the number of clicks divided by the number of impressions. Completion rate and Click rate metrics that appear on the cover sheets are rate of change. (e.g. 50% to 60% = 20% change).

VCPM is a pricing model that accounts for the cost of media and the viewability rate of that media. To calculate VCPM, divide the eCPM by the viewability rating. All impressions used in this report are from exchange inventory unless otherwise noted.