



Q1 2012

Rhythm Insights

Previous quarterly reports available at www.rhythmnewmedia.com

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About This Report

Data points are based on ads served across iPhone, iPod Touch, iPad, Android and other devices in the US market. The data points cover ad campaigns from over 140 top brands in Q1 2012.

About Rhythm

Rhythm connects brand advertisers with highly engaged mobile audiences by selling and serving video, rich media and other immersive advertising formats. Rhythm has partnered with more than 50 premium media companies, typically on an exclusive and transparent basis, across an unparalleled portfolio of 200+ properties to deliver meaningful brand advertising within the highest quality content for targeted, relevant audiences. Our premium media partners include NBC Universal, CBS, ABC, Fox, Warner Bros., IAC, Demand Media and many others. In 2011 alone, more than 200 top brand advertisers including P&G, McDonald's, Disney, Paramount, General Motors, Ford, AT&T, Verizon, Macy's, Marriott and Wrigley's have run campaigns with Rhythm and achieved unprecedented engagement results.

The metrics provided herein are solely representative of Rhythm's collection of premium properties and may not reflect the overall ecosystem for similar ads.

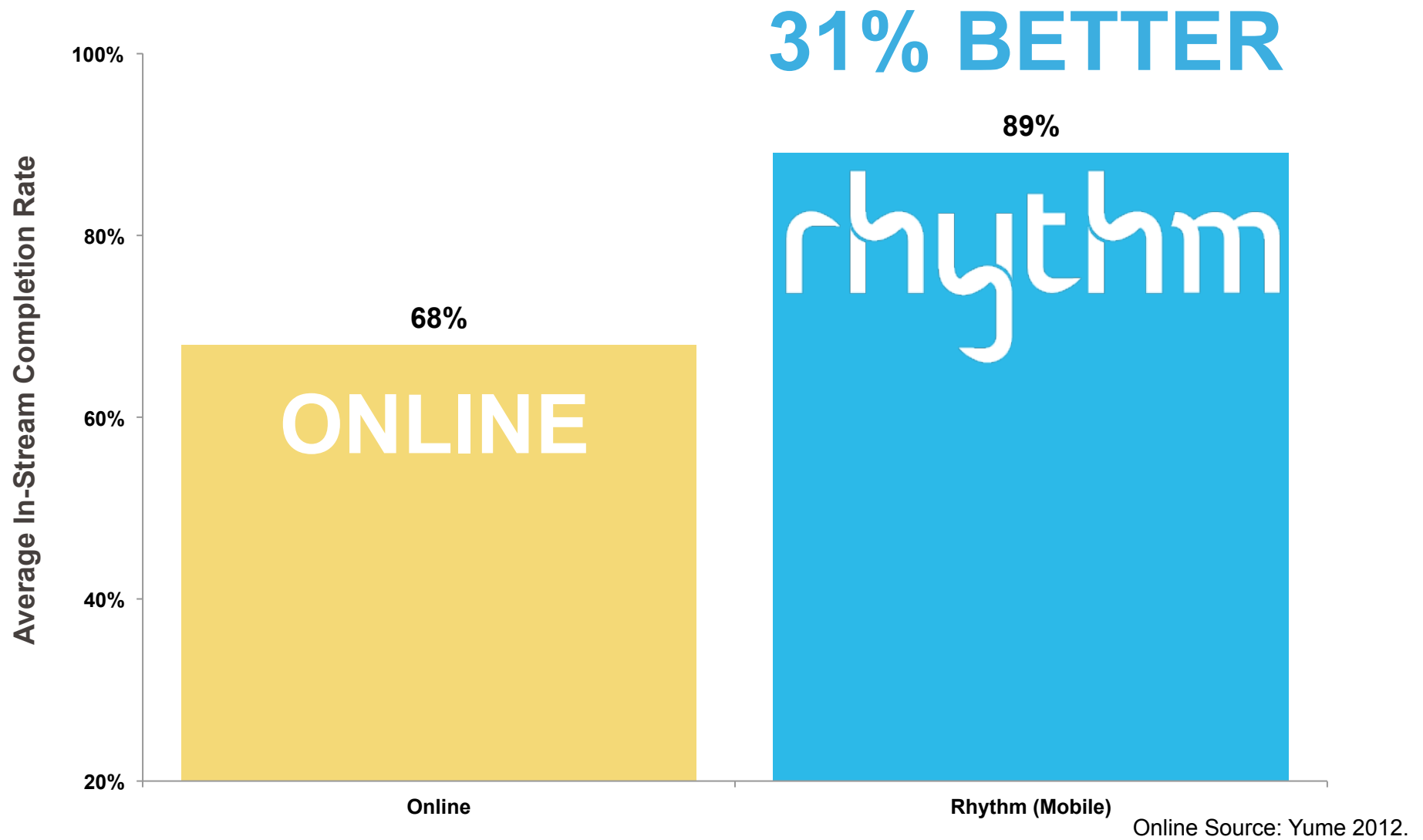
Definitions

- **In-Stream Mobile Video Ads:** Appear in the context of a video, as a commercial break in full episodes or before videos clips.
- **Interactive Pre-Roll Mobile Video Ads:** Appear at app launch, between game levels and other screen changes.
- **Premium Media Properties:** Apps and mobile websites from well known companies such as NBC Universal, CBS, ABC, Fox, Warner Bros., IAC, Demand Media, etc. When video content is premium, users accept the value exchange of watching an ad in exchange for watching great content, and high ad completion rates typically follow.
- **Brand Advertising:** Advertising that aims to drive brand identity, awareness, preference and demand.

Summary

1. In-Stream mobile video ads outperform online with an 89% completion rate (p.5)
2. In-Stream mobile video ads were included in nearly all Rhythm campaigns in contrast to last year when they were part of 66% of campaigns (p.6-7)
3. Best practice of combining video and display became mainstream with display ads a part of 88% of campaigns (p.8)
4. Rhythm represents 32% of all monthly in-stream mobile video viewing (p.9)
5. Smartphones represent 79% of total video minutes viewed in Rhythm's collection of premium properties (p.10)
6. 50-175% more videos viewed on tablet apps vs. smartphone apps on a per user basis (p.11)
7. Of the top 10 most viewed clips per month in entertainment news apps, 50% are watched twice per unique viewer (p.12)
8. 64% engagement boost with social media buttons for interactive In-Stream video (p.13)
9. Combining video with tablet banner ads lifts engagement by 41% (p.14)
10. High average engagement of 20% for tablet full page ads (p.15)

In-Stream Mobile Video Ads Outperform Online



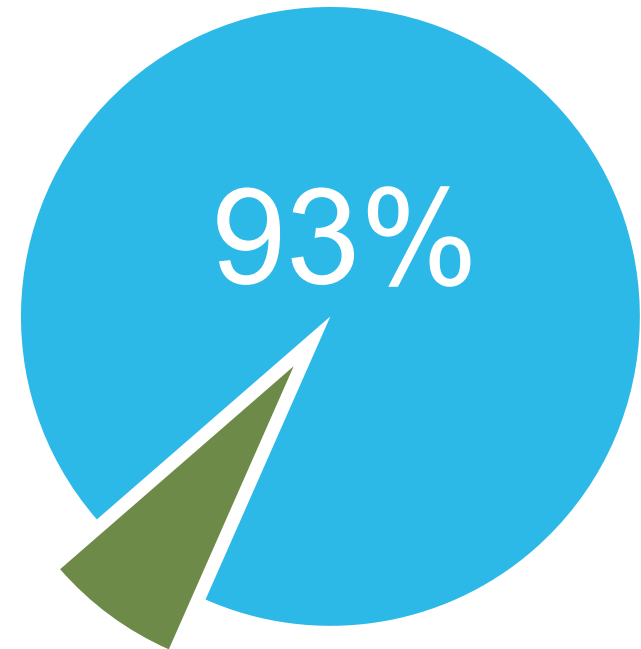
In-Stream Video Advertising Included in Almost All Rhythm Campaigns

93% of campaigns running with Rhythm included In-Stream mobile video advertising in Q1 2012

In-Stream mobile video ads

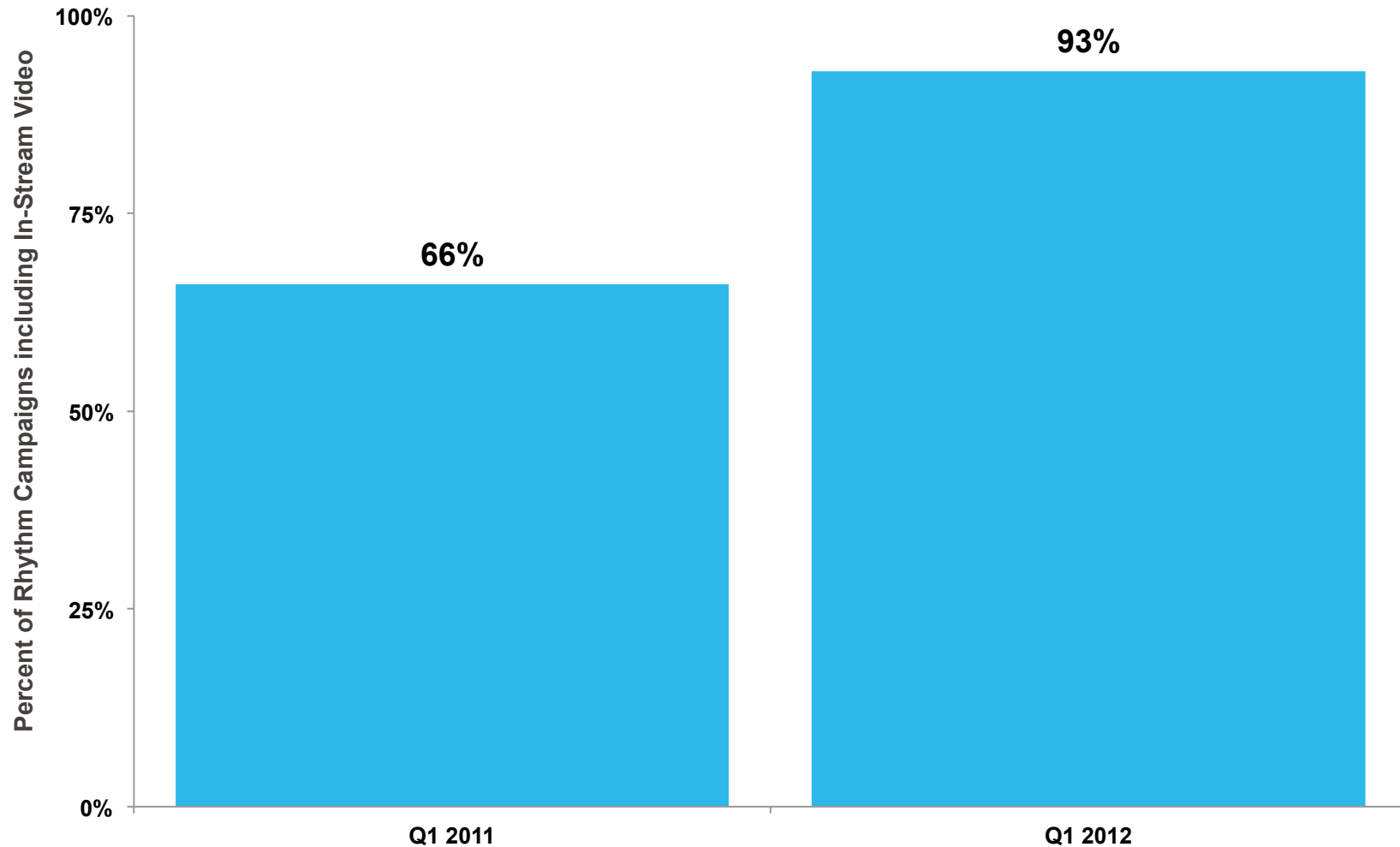


Appear in the context of a video, as a commercial break in full episodes or before videos clips



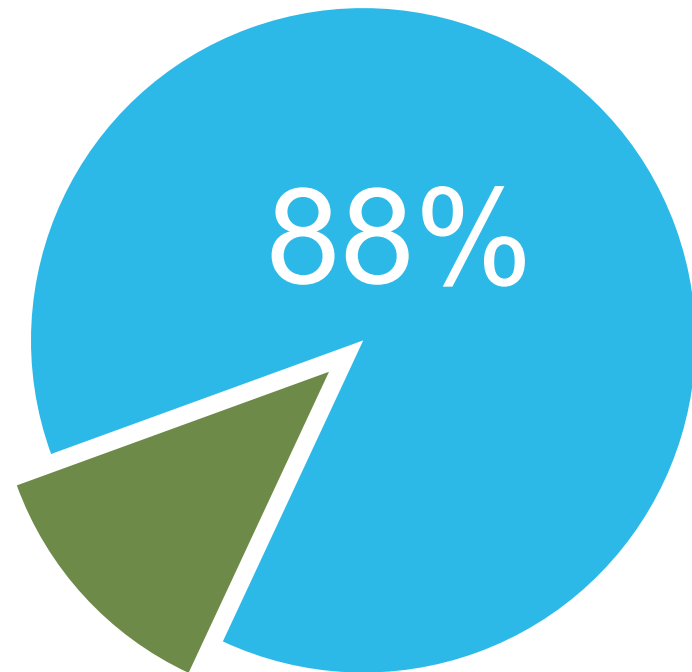
Percent of Rhythm Campaigns Including In-Stream Mobile Video Advertising Sees Rapid Growth of 41% Y/Y

41% Y/Y GROWTH



Best Practice of Combining Video & Display Widely Used

88% of campaigns running with Rhythm included display advertising in Q1 2012

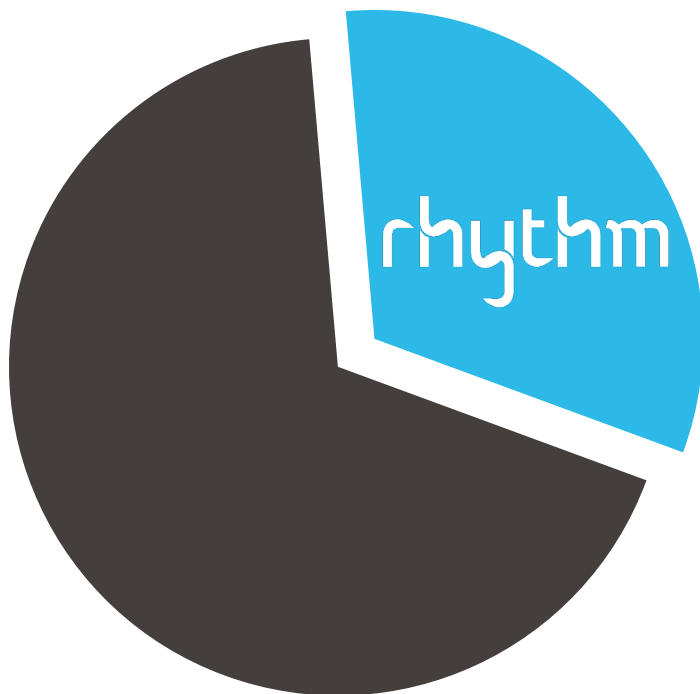


Rhythm's Scale in Premium Mobile Video Advertising: 32% of All Monthly In-Stream Mobile Video Viewing

nielsen

Monthly Time Spent in Hours:Minutes

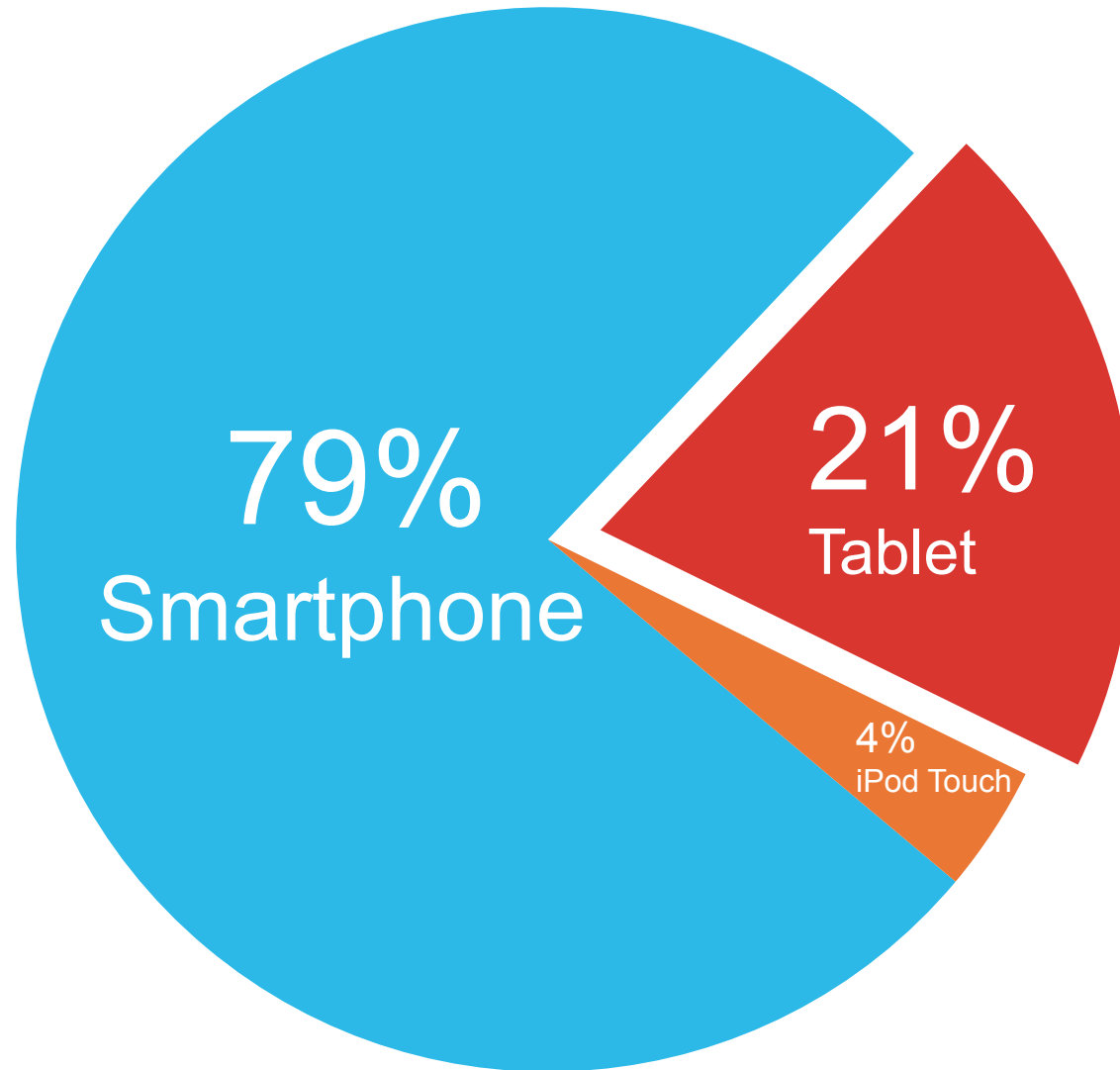
Watching Video on Internet	4:34
Mobile Subscribers Watching Video on a Mobile Phone	4:20



Rhythm's premium properties represent **32%** of all monthly In-Stream mobile video viewing

Source: Rhythm Insights and Nielsen Cross-Platform Report Q4 2011.

Total Video Minutes Viewed by Device Type in Rhythm's Collection of Premium Properties



Viewers Consistently Watch More Videos On Tablets Than Smartphones on a Per Viewer Basis

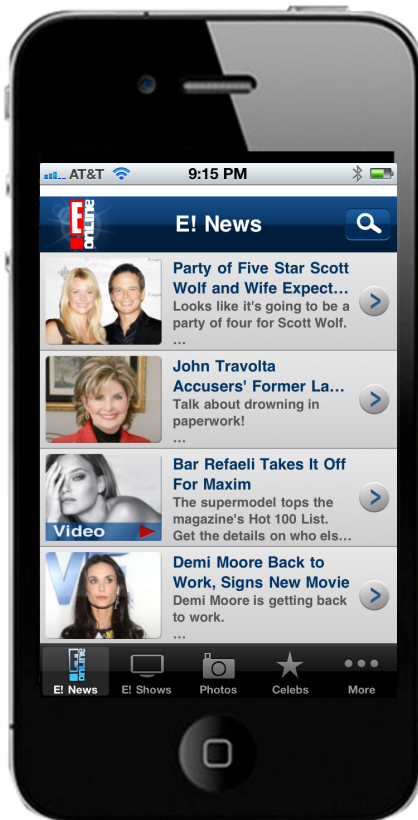
50-175%

**more videos viewed on
tablets depending on the app**

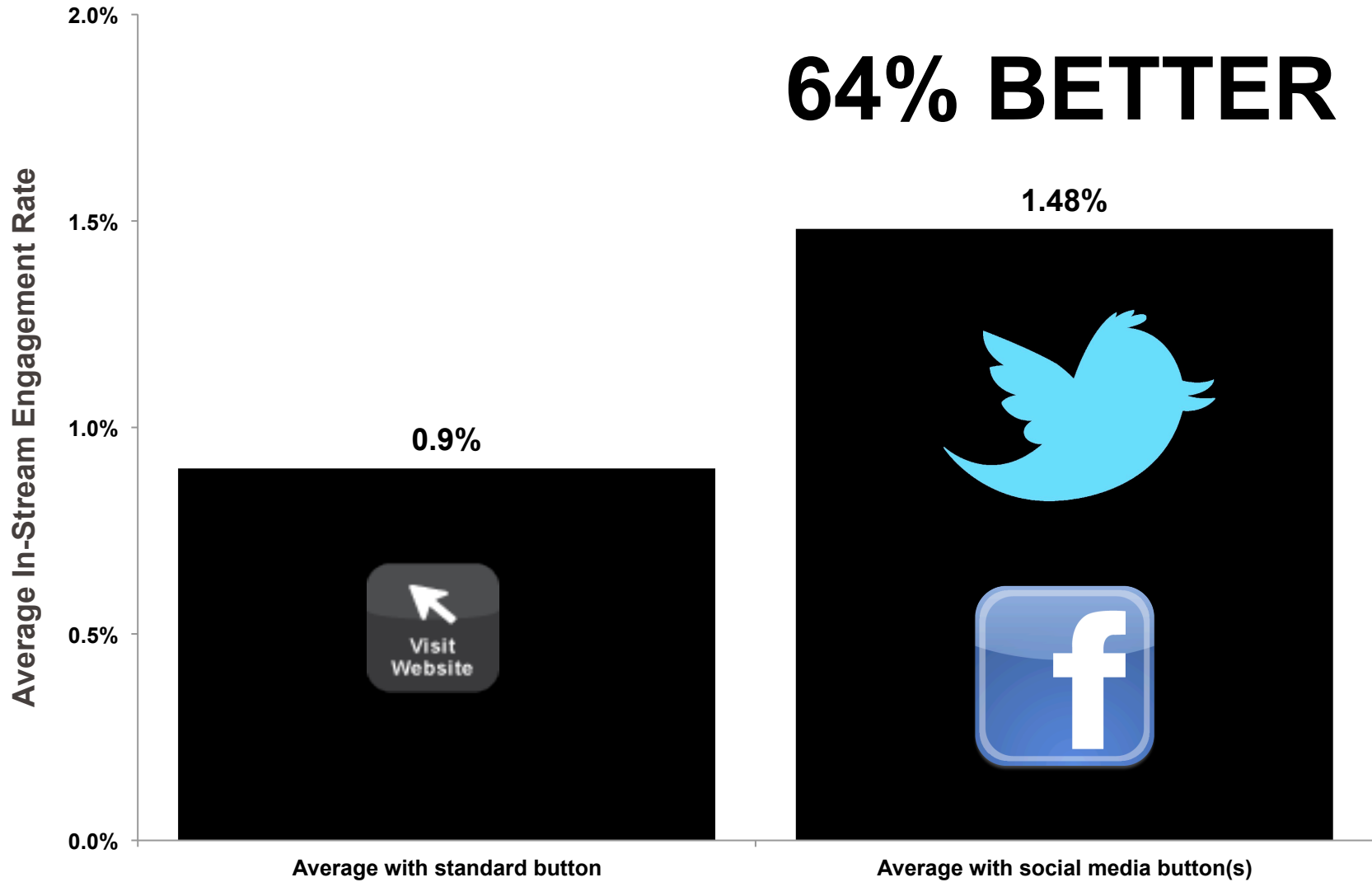


Entertainment News Content Extremely Sticky

Of the top 10 most viewed clips per month, 50% are watched twice per unique viewer

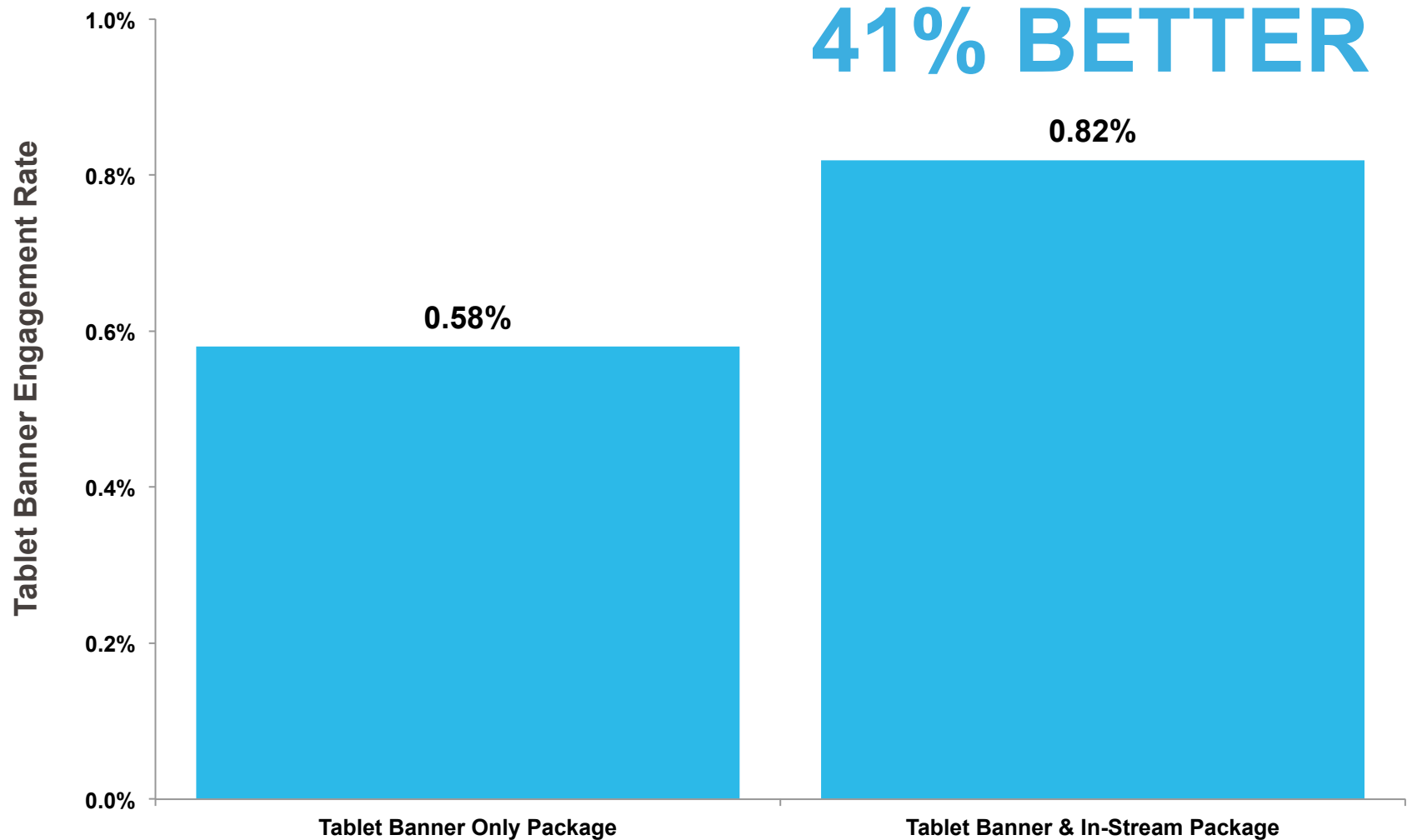


Social Media Buttons Boost Engagement 64% for Interactive In-Stream Mobile Video Ads



Engagement is defined as any interaction with the ad

Combining In-Stream Mobile Video with Tablet Banner Ads Lifts Engagement by 41%



Tablet Full Page Ads Yield High Engagement Rates

20% average engagement



Engagement is defined as any interaction with the ad