

Outlook 2010: Where Is The Money?

Outsell's Signature Event
October 6, 2009



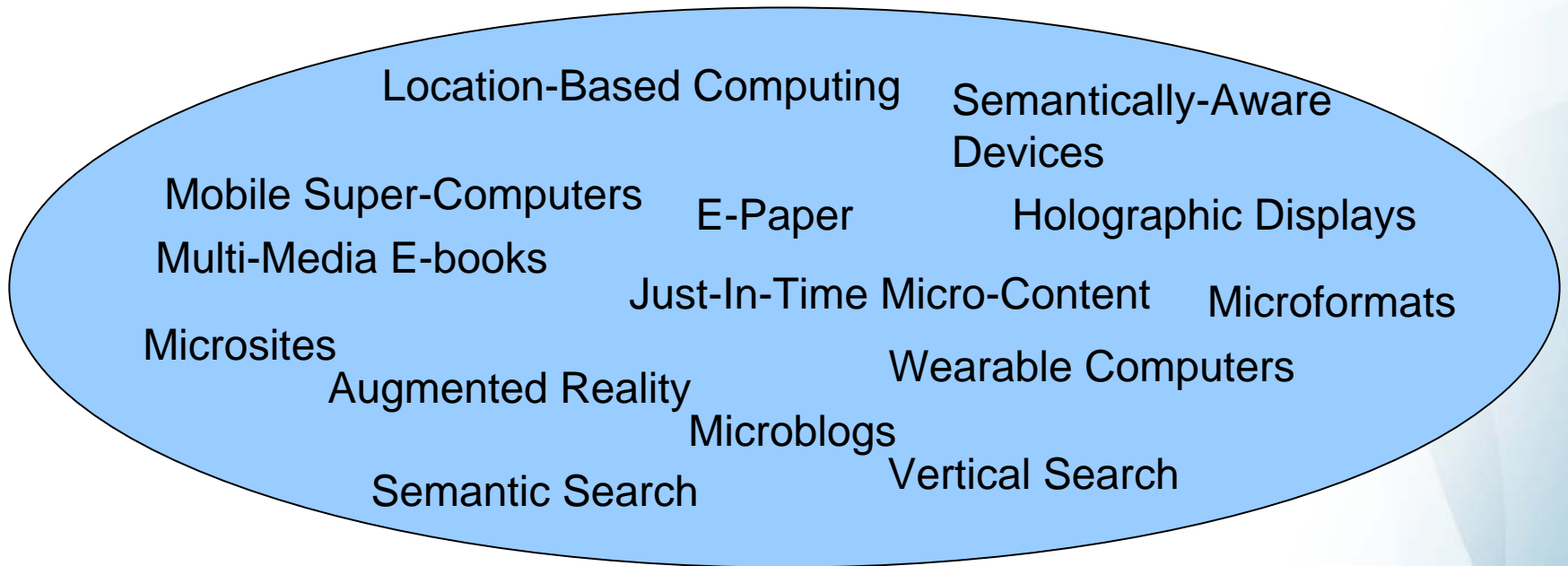
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The Age Of Experience

- **Users now experience information**
- **And information now shapes experiences**
- **These, plus the experience of doing business with us...**

...are becoming the competitive differentiators for 2010 and beyond

Technology For Using Information



Money Funding Information

Information Ties To Budgets

- **Marketers and advertisers**
- **Libraries and content portfolio mgrs.**
- **Users and their departments**
- **Consumers/households**

Information Ties To The Economy

Unlike tangible assets, information becomes obsolete so some recovery is expected in 2010

- **Cautious Optimism**

- Mild and sluggish recovery in 2010
- Example: US 09 Q4 GDP forecast (1.4%)

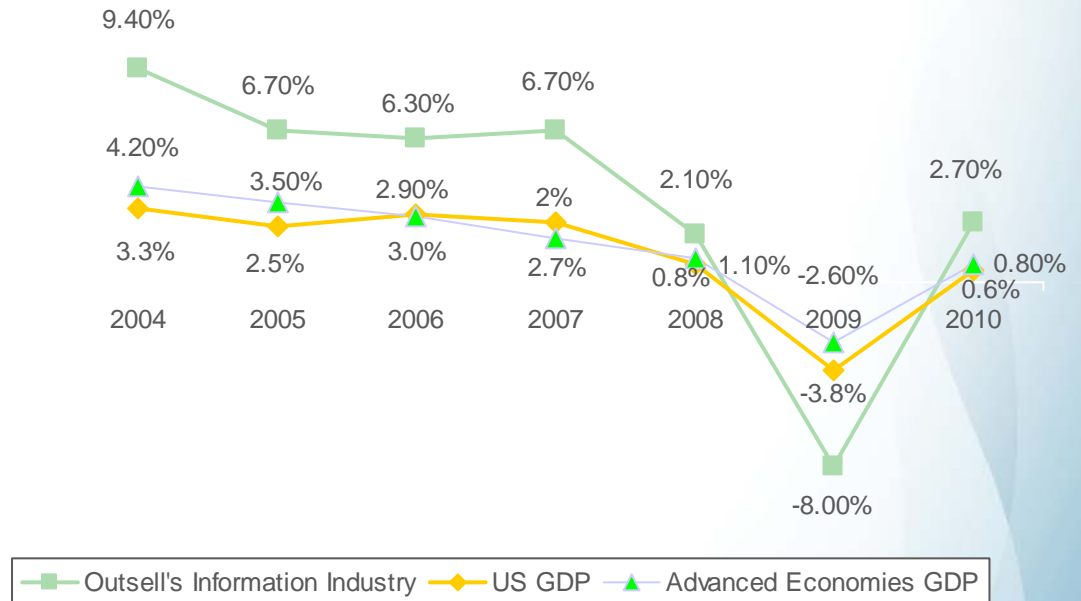
- **Positive signs**

- Stable financial sector
- Increased consumer confidence

- **Negative signs**

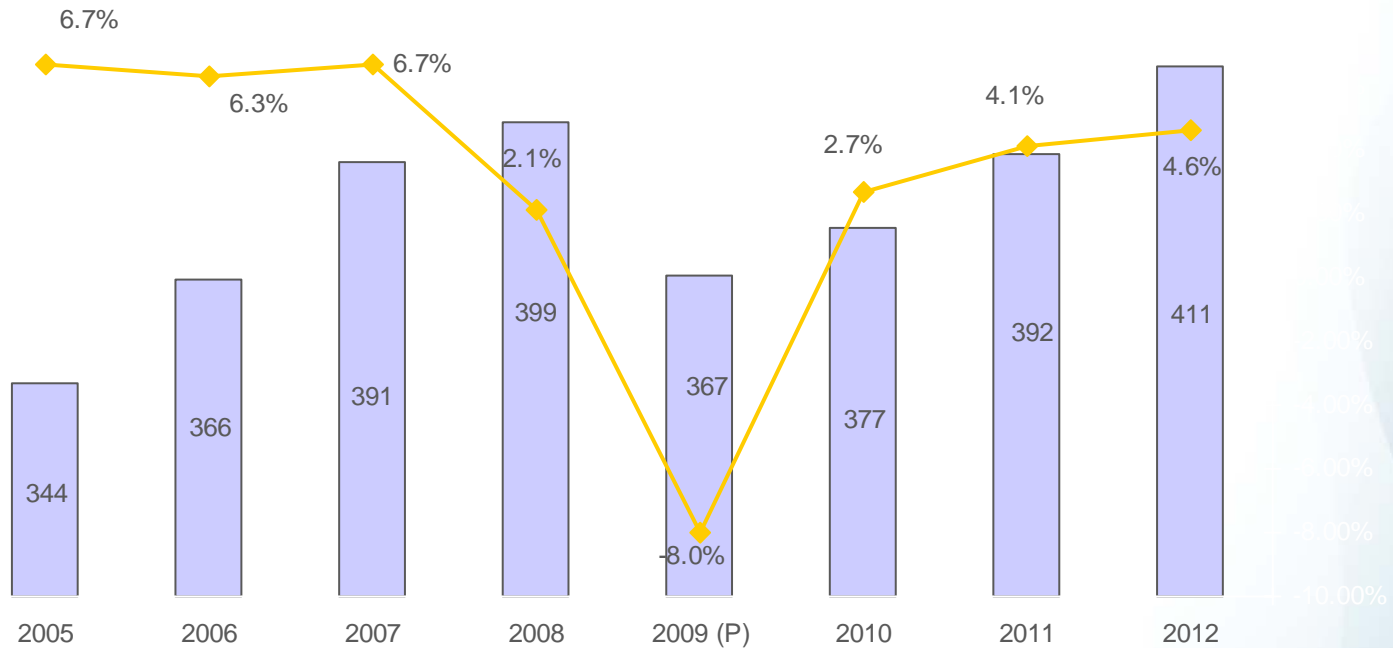
- Rising unemployment beyond 10.5% in the US
- Deflation due to ballooning budget deficits
- No pick-up in housing market

Outsell's Information Industry Forecast 2004-2010 compared to IMF Economic Forecast



Information Industry Performance

Outsell's Information Industry Forecast, 2009-2012
Total Est. Revenues (US \$ Billions) and Growth

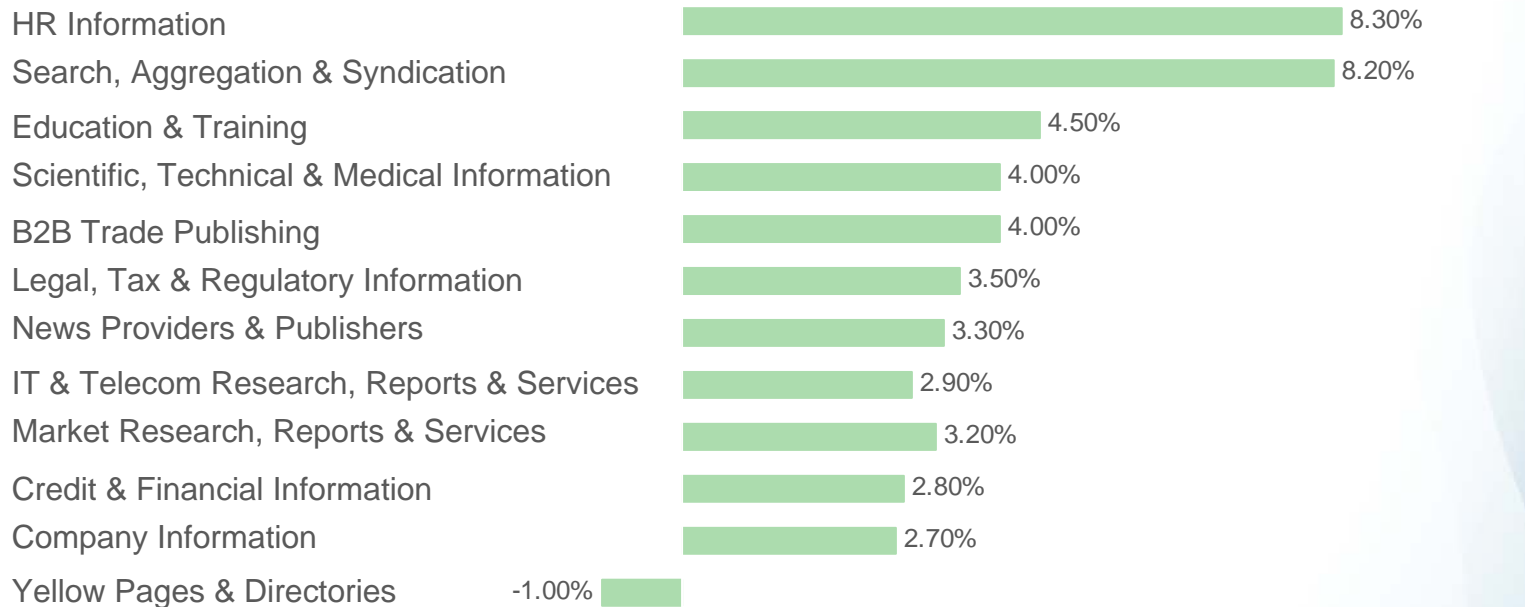


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Industry Forecast By Segment

News Providers & Publishers and Information Industry Forecast, 2009-2012

Est. Industry Growth CAGR 4.0%

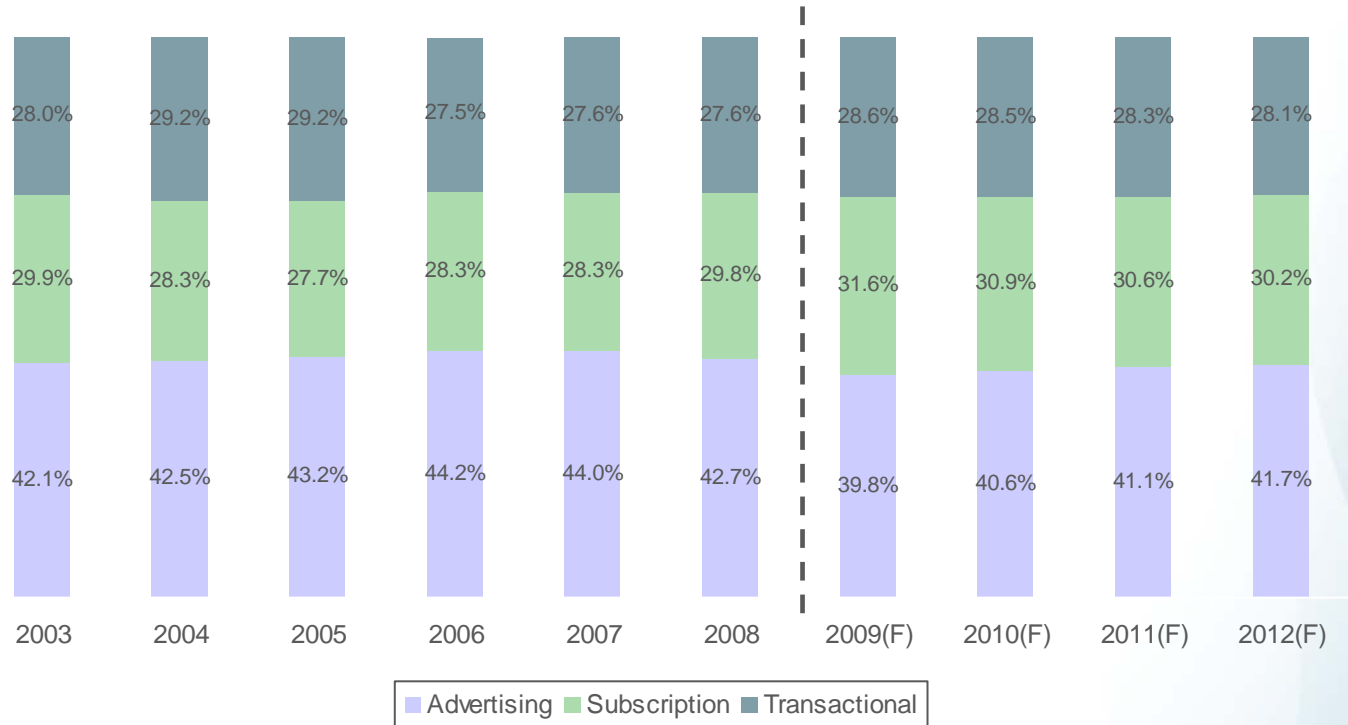


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Advertising & The Impact On Paid Content

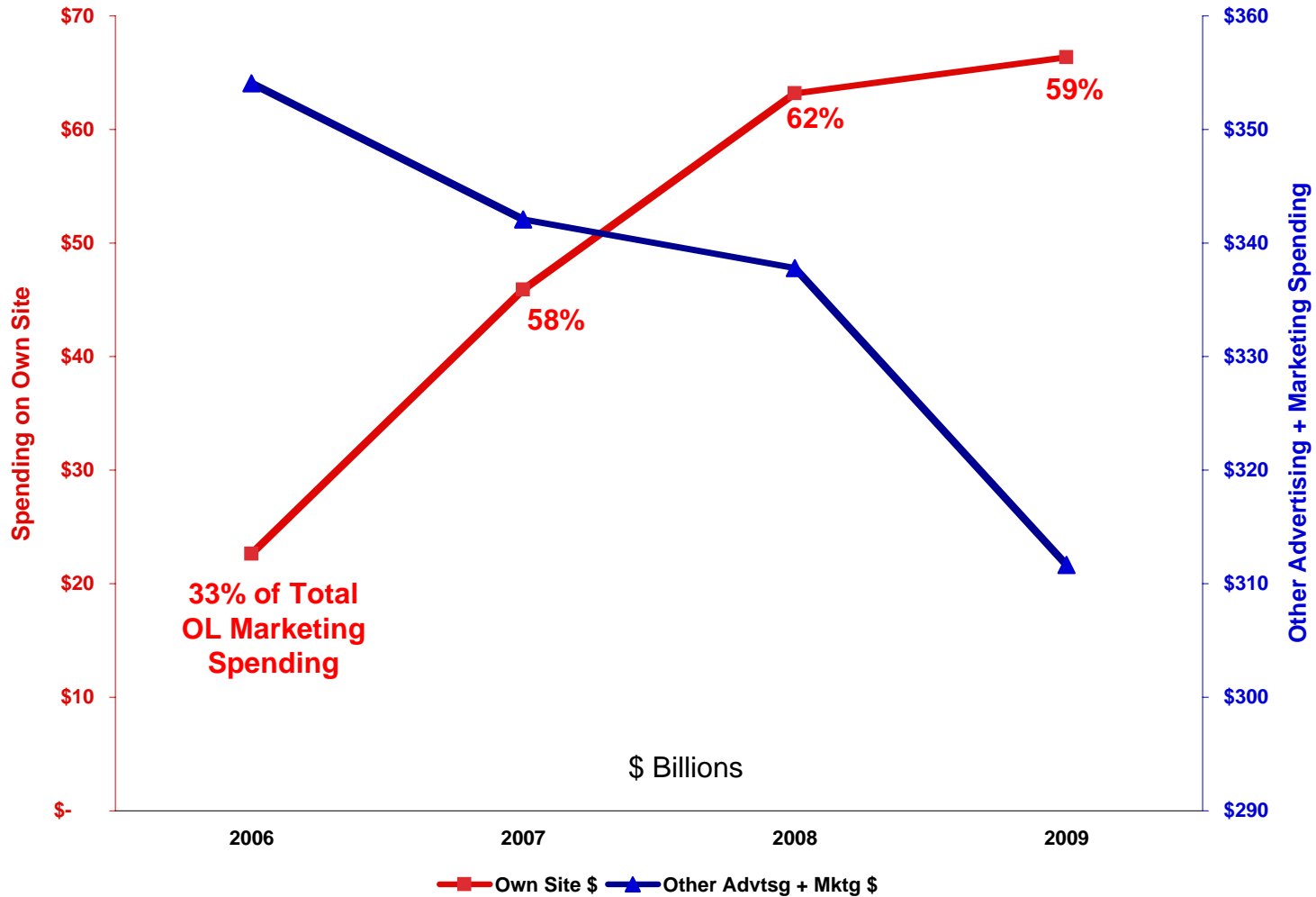
Revenue Mix

Source of Revenue: Advertising, Subscription, and Transactional



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Marketing & Advertising Spending



Source: Outsell Annual Advertising & Marketing Studies 2006-2009

Paid Content in 2010

- **More supply entering**
- **Lower price points**
- **No automatic leverage from ad-based assets to paid assets**
- **Paid services – outsourcing emerging**
- **Pressure on paid budgets hitting**
- **Pressure from ratable revenue hitting**

Key Paid Content Stakeholders

- **Libraries**
- **Content vendor portfolio managers**
- **Users and their departments**
- **News Users**

The Money Is Flowing To:

- **Market share/brand leaders**
- **Cash positive and building**
- **Real-time data/work-flow solutions**
- **Tactical support or lead generation**
- **Those investing in:**
 - emerging markets
 - mobile
 - social
 - a better experience or an equal one at a better price

“The Google book settlement has the potential to impact publishers and paid content. If it gets past DOJ challenges, the implications are vastly broader access to information for users, potential upside for publishers who will gain revenues that were previously unavailable, potential printing fees to libraries who allow patrons to print the books, and consolidation of power in one entity – Google – in terms of how information will be managed, accessed, and shared”

Leigh Watson Healy

***We are competing for market share.
Going forward user and customer
experience will make a critical
difference and new experiences are
emerging daily.***

Join The Conversation *and* Essential Actions

Ask Our Analysts



Anthea Stratigos
Co-founder & CEO



Leigh Watson Healy
Chief Analyst



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