

INSIDER'S REPORT



ROBERT COEN PRESENTATION
ON ADVERTISING EXPENDITURES
DECEMBER 2006

*Universal*McCANN





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UNIVERSAL MCCANN NOW PROJECTS U.S. ADVERTISING EXPENDITURES IN 2006 TO A TOTAL OF \$285.1 BILLION FOR A GAIN OF 5.2% OVER 2005. OVERSEAS ADVERTISING SPENDING FOR 2006 IS NOW EXPECTED TO BE UP BY 5.5% TO \$314.4 BILLION, BRINGING TOTAL WORLDWIDE EXPENDITURES TO \$599.5 BILLION FOR A GAIN OF 5.3% OVER 2005.

A YEAR AGO, IN DECEMBER 2005, THE FORECAST FOR ADVERTISING SPENDING IN 2006 BY U.S. MARKETERS WAS MIXED. THE OUTLOOK FOR ADVERTISING SPENDING BY THE LARGE MARKETERS DOING BUSINESS NATIONALLY WAS QUITE GOOD. THERE WOULD BE EXTRA SPENDING IN THE WINTER OLYMPICS AND EXTRA DEMAND FOR THE SUPPLY OF BROADCAST TELEVISION COMMERCIALS BECAUSE OF INTENSE POLITICAL CONTESTS IN 2006, AS ALL MEMBERS OF THE HOUSE OF REPRESENTATIVES AND A THIRD OF THE SENATE WOULD BE UP FOR ELECTION. THE EXPECTATIONS OF A REASONABLY HEALTHY ECONOMY AND THE EXTRA DEMANDS FROM THE WINTER OLYMPICS AND THE ELECTIONS INDICATED A FAIRLY GOOD OUTLOOK FOR NATIONAL ADVERTISING IN 2006.

HOWEVER, THE OUTLOOK FOR IMPROVED AD GROWTH BY THE LOCAL MARKETERS DOING BUSINESS IN SMALL

LOCAL PARTS OF THE COUNTRY SHOWED NO SIGNS OF MUCH IMPROVEMENT IN 2006.

THESE MIXED INDICATIONS LAST YEAR LED US TO FORECAST THAT TOTAL U.S. ADVERTISING WOULD INCREASE 5.8% IN 2006. NOW IT IS QUITE CLEAR THAT AD GROWTH IN 2006 WILL BE BELOW WHAT WE EXPECTED A YEAR AGO.

LAST DECEMBER THE INDICATORS POINTED TO CONTINUOUS RECOVERY IN MOST OVERSEAS ECONOMIES, AND WE FORECAST GROWTH OF 6.2% FOR OVERSEAS AD SPENDING IN 2006. BASED ON THE LATEST REPORTS WE NOW EXPECT A GAIN OF ONLY 5.5%. COMBINED WORLDWIDE ADVERTISING IS NOW EXPECTED TO POST A GAIN OF 5.3% IN 2006. THE AD GROWTH RATE IMPROVED IN 2006, BUT NOT AS MUCH AS WE HAD EXPECTED.

Next year, in 2007, we expect some moderation in U.S. ad spending. There will be no Olympics, nor any extra high levels of political advertising to fuel extra ad demand. In addition there is considerable concern about economic softening as energy prices bounce up and down and the housing sector continues to show signs of weakness. On the other hand, marketers have managed to maintain strong profit growth in recent years while tightly controlling advertising spending. Companies' balance sheets are in great shape, and they are loaded with cash. If aggressive competition begins to heat up, it will be inevitable that higher levels of advertising reappear; but it seems unlikely that this will develop early in 2007.



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We expect quite modest growth in U.S. advertising in 2007 with a gain of only 4.8% for a forecasted total of \$298.8 billion. It will probably not be until 2008 or later until a significant improvement in ad activity reappears..

Economic expansion in most countries in the world is expected to continue to be reasonably good again in 2007. Overseas advertising is expected to rise 5.8% in 2007 to \$332.6 billion. In 2007, total worldwide advertising is expected to rise 5.3% to \$631.4 billion.

Robert J. Coen, Senior Vice President, Director of Forecasting at Universal McCann made these predictions at the December 4, 2006 UBS Global Media Conference in New York City. This issue of the Universal McCann Insider's Report reviews the highlights of Bob's latest forecast.

IN 2006, NATIONAL MARKETERS REMAINED EXTREMELY CAUTIOUS, AND THEY CONTINUED TO FIRMLY CONTROL MOST FORMS OF MARKETING COMMUNICATION SPENDING

The Winter Olympics and many intense political contests led to extra advertising spending for television commercials, but most other media did not do very well except for mail ads and the Internet.

2006 BUDGETS OF NATIONAL ADVERTISERS		
	% Change Over 2005	2006 Projections (\$000,000)
4 TV Networks	+5.0%	\$16,934
Spot TV	+11.0	11,144
Cable TV	+4.5	19,119
Syndication TV	+5.0	4,058
Radio	+3.0	4,411
Magazines	+4.5	13,425
Newspapers	-3.0	7,241
CONSUMER MEDIA SUB-TOTAL	+4.8	76,332
Direct Mail	+8.5	59,912
Yellow Pages	+1.0	2,185
Internet	+20.0	9,317
Other National Media	+6.4	36,950
TOTAL NATIONAL	+6.9%	\$184,696

NATIONAL MARKETERS INCREASED THEIR AD BUDGETS BY 6.9% FOR A PRELIMINARY TOTAL OF \$184,696,000,000 IN 2006.

The rate of growth of national advertising in 2006 was below par for an Olympic/Election year when advertising usually grows considerably faster than nominal GDP.

ADVERTISING SPENDING BY THE SMALLER MARKETERS CONFINED TO SINGLE LOCAL REGIONS WAS NOT STIMULATED MUCH BY THE WINTER OLYMPICS AND THE INTENSE POLITICAL CONTESTS.

2006 EXPENDITURES OF ALL ADVERTISERS		
	% Change Over 2005	2006 Projections (\$000,000)
Local Newspapers	+1.5%	\$40,468
Local TV	+5.0	14,973
Local Radio	-1.0	15,203
Local Yellow Pages	+1.0	12,187
Other Local Media	+7.5	17,579
TOTAL LOCAL	+2.2	100,410
TOTAL NATIONAL	+6.9	184,696
GRAND TOTAL	+5.2%	\$285,106

Local marketers are currently attempting to cope with a number of new marketing developments that are working to reduce their total demand for traditional media advertising. Consolidation of retail outlets is reducing the overall demand for retail advertising. For example, Filene's Department Store in Boston has been closed, and the Boston newspapers, TV stations and radio stations have suddenly lost an important customer for their time and space. Additionally, classified newspaper ads have been lost to a growing number of on-line suppliers of similar services.

The new changes in technology and the shifts in marketing tactics have affected not only local marketers but many major national companies as well.

NEW TECHNOLOGY IS AFFECTING BASIC ADVERTISING STRATEGIES, AND THERE IS CONSIDERABLE CONFUSION ABOUT WHAT IS HAPPENING IN MARKETING



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COMMUNICATIONS. NOW IS A GOOD TIME TO GO BACK AND REVIEW SOME OF THE BASICS UNDERLYING OUR CONTINUOUS STUDIES OF ADVERTISING TRENDS.

In the late 1930's Mrs. Erickson, the widow of Alfred W. Erickson, made a gift to Harvard Business School for an objective study to try to determine whether advertising was good for the U.S. economy or a form of immoral propaganda leading people to spend their limited money for things they really did not need.

The conclusion generally was that advertising increased competition, helping to lower costs and to bring more goods and services to the public.

The study noted that advertising is only one of a number of marketing communication practices aimed at the selling of marketers' goods and services.

It defined advertising as follows:

Advertising includes those activities by which visual or oral messages are addressed to the public for the purposes of informing them and influencing them either to buy merchandise or services or to act or be inclined favorably toward ideas, institutions, or persons featured. As contrasted with publicity and other forms of propaganda, advertising messages are identified with the advertiser either by signature or by oral statement.

The Harvard researchers indicated there was often debate about things that should be labeled advertising and things that should be excluded because they are not classical advertising functions.

Activities Excluded from Advertising

Activities sometimes termed advertising but which in this study are placed under other classifications of sales promotional effort include the offering of premiums to stimulate the sale of products; the use of exhibitions and demonstrations at fairs, shows, and conventions; the use of samples; and the so-called publicity activities involved in sending out news releases. Likewise arbitrarily excluded from the category of advertising are the activities of personal selling forces, both regular and missionary salesmen; offering of free goods; the payment of advertising allowances which are not used for advertising; the entertainment of customers; the conducting of demonstration stores; and the giving of the bonuses or PM's* to salesmen of the trade.

* PM stands for premium merchandise for which retail salesmen received special commissions for featuring these items to customers or to push their sales over others.

Over the years, Universal McCann's definition of advertising has been consistent, while including new forms of advertising such as Internet Advertising, including banner ads. Additional Internet components, such as Internet Search, may well qualify as advertising. But until a more complete and objective measure of Internet Search becomes available, we will not include it in the Internet Advertising total.

NEXT YEAR THE ECONOMIC CLIMATE IS CLOUDED, AND THERE ARE NO OLYMPICS OR EXTRA POLITICAL ACTIVITY. FEW MARKETERS ARE LIKELY TO ABANDON THEIR RECENT CAUTIOUSNESS.

RECENT TRENDS AND EXPECTATIONS

(Percent change over previous year)

	2000	2001	2002	2003	2004	2005	2006	2007
Real GDP	+3.7%	+0.8%	+1.6%	+2.5%	+3.9%	+3.2%	+3.4%	+2.5%
Consumer Prices	+3.4	+2.8	+1.6	+2.3	+2.7	+3.4	+3.5	+2.3
Nominal GDP	+5.9	+3.2	+3.4	+4.7	+6.9	+6.3	+6.5	+4.9
Total Advertising	+11.3	-6.5	+2.4	+3.6	+7.4	+2.8	+5.1	?
Corp. Profit	-3.9	-6.2	+15.5	+12.1	+19.1	+12.5	+18.4	+4.5

In the year 2000 total advertising peaked. But in the second half of the year advertising started to slip, and in the first half of 2001, the economy and the ad trends had already softened. Then the terrorist attacks on 9/11 made things worse. The economy began to recover in 2003 and has been trending reasonably well ever since. In 2004 ad growth recovered nicely but has been back in relapse since. The economic outlook for 2007 is not great, and if present cautiousness persists, the climate for U.S. advertising could get even worse.

However, in the last five years, American corporations have enjoyed exceptional double-digit profit growth. Companies are now loaded with cash, and their balance sheets are in great shape. On top of this, company stock prices have finally climbed back to or above where they had peaked six years ago.

There are plenty of reasons for pessimism about advertising growth in 2007. However, there is also the possibility of an overdue return to more traditional advertising. This would be aimed at influencing consumers in order to fend off a possible upturn in new product introductions and a rise in market competition.



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MOST MARKETERS HAVE BEEN CAUTIOUS IN THEIR AD SPENDING STRATEGIES THROUGHOUT THE FIRST NINE MONTHS OF 2006.

TOP PRODUCT CATEGORY CHANGES

(Percent change Jan-Sept 2006 vs. Jan-Sept 2005)

Category	TV Nat'l Networks*	Spot TV	Magazines	Totals
Automobile	-3%	+4%	-10%	-1%
Food	+8	-8	+7	+6
Movies	+5	+2	+28	+6
Drugs & Remedies	+1	-7	+19	+6
Toiletries/Cosmetics	-1	-30	+7	+1
Beverages/Snacks	-3	-16	-6	-4
Restaurants	+7	+3	-35	+4

*ABC, CBS, Fox, NBC, Pax, UPN, WB, Cable TV Networks & National TV Syndication

The most important group of advertisers posted modest gains in advertising so far this year. Their overall gain was held down mainly by the problems of the Automotive category. Ordinarily in an Olympic year the ad budget increases of this most important group of advertisers rises much more than it has so far this year. A significant improvement in the total ad trends will depend upon whether these most important marketers elevate their spending or remain sluggish in ad budgeting.

SECONDARY PRODUCT CATEGORY CHANGES

(Percent change - Jan-Sept 2006 vs. Jan-Sept 2005)

Category	TV Nat'l Networks*	Spot TV	Magazines	Totals
Telecommunications	+ 21%	+ 34%	+ 41%	+ 26%
Computers	+ 60	+ 67	- 4	+ 25
Apparel	+ 4	+ 37	+ 6	+ 6
Beer & Wines	- 11	+ 15	- 4	- 8
Resorts/Tours	+ 8	+ 8	+ 8	+ 8
Airlines	+ 19	- 19	- 32	- 12
Insurance	+ 25	+ 10	+ 11	+ 19

*ABC, CBS, Fox, NBC, Pax, UPN, WB, Cable TV Networks & National TV Syndication

Three of the largest secondary categories have been growing at an exceptional pace as competition in Telecommunications and Insurance heats up and more computers are purchased. In most other categories the trends have been mixed.

In the case of Automobile Insurance the trends have been much different due to the aggressive competition from Geico. Ad spending has risen much faster in the auto insurance category than in nearly any other group. For example, from the first half of 1999 to the first half of 2006 the combined spending in measured media for the top 10 auto insurance companies has grown fourfold in contrast to a doubling of ad spending for all national marketers. New media such as the Internet has gained a bit in share of auto insurance budgets but Broadcast and Cable TV still accounted for nearly 85% of the 10-company totals in the first half of 2006.

If new and increased R&D spending leads to new products and new product features, the trends in many categories could change dramatically as established marketers in the top and secondary categories respond to the new competition — certainly not to the extent that the established auto insurance marketers responded to the appearance of Geico, but surely more than in recent years.

When competition intensifies across a wider range of industries, the present softness in advertising demand could change dramatically.

SELECTED SMALLER CATEGORY CHANGES

(Percent change - Jan-Sept 2006 vs. Jan-Sept 2005)

Category	TV Nat'l Networks*	Spot TV	Magazines	Totals
Liquor	+ 13%	+ 119%	+ 3%	+ 7%
Cigarettes	+ 3,039	+ 2,043	- 30	+ 10
Direct Response	+ 12	- 4	+ 3	+ 8
Brokers/Mutual Funds	+ 3	- 9	+ 16	+ 7
Banks/S&L	- 23	+ 6	+ 26	- 7
Colleges/Universities	+ 67	+ 11	- 8	+ 10
Fitness/Diet Programs	- 16	+ 7	+ 74	+ 9

*ABC, CBS, Fox, NBC, Pax, UPN, WB, Cable TV Networks & National TV Syndication

DOT.COM MARKETERS ARE NOW EXPECTED TO SPEND \$4,440,000,000 FOR ADVERTISING MESSAGES IN THE TRADITIONAL MASS ADVERTISING MEDIA.



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CONSUMER MEDIA ADVERTISING BY DOT.COMS

(Percent change over prior year)

YEAR	AD EXPENDITURES	CHANGE
2000	\$5,597,000,000	+ 81.0%
2001	2,662,000,000	- 52.0
2002	2,150,000,000	- 19.0
2003	2,210,000,000	+ 2.8
2004	2,762,000,000	+ 25.0
2005	3,700,000,000	+34.0
2006	4,440,000,000	+ 20.0

Ad spending by dot.com companies for ads in the traditional media continues to grow, and most of the ad dollars are for television commercials.

The totals are getting close to where they were in 2000 when the Internet bubble burst, but today's dot.com companies are more mature and much better marketers.

These new marketers generally offer price benefits to their customers and many, like Amazon.com, offer free delivery. However, many depend on high volume, and their profit margins are often very low resulting in low advertising-to-sales ratios. They spend a lot of dollars for traditional media ads, but they probably spend far less than many of the companies they have driven out of business. Established companies that have not closed up are now forced to spend less.

DESPITE MUCH LOWER COST FOR EMAIL SOLICITATIONS, THE VOLUME OF ADVERTISING PIECES GOING THROUGH THE MAIL CONTINUES TO RISE.

MAIL PIECES (JAN-JUNE)

(In billions)

STANDARD MAIL	2005	2006	% CHANGE
Regular Automation Presort	33.3	34.4	+ 3.4%
Regular Enhanced Carrier Route	14.9	15.9	+ 6.2%
TOTAL	48.2	50.3	+ 4.4%

In the first six months of this year the number of pieces of mail in the classification where most advertising mail gets sent rose by over two billion

pieces. This represented a 4.4% rise in volume, despite a rise in the cost of postage and some inflation in printing and paper. This greater momentum in Direct Mail advertising shows no sign of much moderation in the near future.

SINCE PEAKING IN 2000 ADVERTISING'S SHARE OF THE U.S. ECONOMY HAS SLIPPED EXCEPT FOR A SLIGHT BLIP IN 2004.


ADVERTISING'S SHARE OF GDP

YEAR	FROM ALL ADVERTISERS	FROM LOCAL ADVERTISERS	FROM NATIONAL ADVERTISERS
2000	2.52%	0.98%	1.54%
2001	2.28	0.88	1.40
2002	2.26	0.87	1.39
2003	2.23	0.85	1.38
2004	2.25	0.83	1.42
2005	2.18	0.79	1.39
2006	2.16	0.76	1.40

Advertising's role in the U.S. economy has slipped considerably since 2000, when advertising's share of the sales process was undoubtedly over-expanded. In recent years marketers have exerted extreme pressure on all parts of their marketing budgets, and they have intensified their efforts to try to get some accountability or ROI evidence for all outlays.

Traditional advertising has been sharply curtailed, and the only major traditional medium showing strong growth has been Direct Mail, which is probably the only medium to clearly provide short-term accountability measures. Some other types of sales promotion efforts, such as Internet Search, have also been able to provide some evidence of the short-term results from their use.

Next year is not expected to be one with a highly expansive economy, and there will be no extra Olympic or political spending. On the other hand, most marketers are in good financial condition, and their stock prices are finally getting back above their highs in 2000. Budget reductions for traditional advertising aimed at long-term efforts to main-



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tain and build favorable consumer attitudes toward brands could begin to reappear in 2007. Better-than-might-be-expected ad growth could begin in 2007, but it most likely will be delayed until 2008.

THE OUTLOOK FOR 2007 NATIONAL ADVERTISING

	% Change Over 2006	2007 Projections \$(000,000)
4 TV Networks	+ 3.0%	\$17,442
Spot TV	0	11,144
Cable TV	+ 6.5	20,362
Syndication TV	+ 6.0	4,301
Radio	+ 4.0	4,588
Magazines	+ 5.0	14,096
Newspapers	+ 1.0	7,313
CONSUMER MEDIA SUB-TOTAL	+ 3.8	79,246
Direct Mail	+ 7.5	64,405
Yellow Pages	+ 3.0	2,229
Internet	+ 15.0	10,715
Other National Media	+ 5.7	39,045
TOTAL NATIONAL	+ 5.9%	\$195,640

Total national ad spending in 2007 is expected to exceed the growth of nominal GDP. Delayed and postponed spending by the large national marketers doing business across the country should help budgets to finally move up a bit in 2007. The absence of any extra Olympic and Election spending will hurt, but in 2006 the extra spending in some media was smaller than expected, making the 2007 comparisons a little easier.

The demand for advertising by the presently beleaguered local marketers is not likely to improve much in 2007 unless the economy turns out to be much better than presently expected.

THE OUTLOOK FOR TOTAL ADVERTISING 2007

	% Change Over 2006	2006 Projections \$(000,000)
Local Newspapers	+ 2.0%	\$41,277
Local TV	+ 4.0	15,572
Local Radio	+ 1.0	15,355
Local Yellow Pages	+ 1.5	12,370
Other Local Media	+ 5.6	18,559
TOTAL LOCAL	+ 2.7	103,133
TOTAL NATIONAL	+ 5.9	195,640
GRAND TOTAL	+ 4.8%	\$298,773

Very modest increases are expected for the advertising budgets of local marketers in 2007 unless fuel costs remain flat and the housing market turns around in the spring of next year. We expect a modest improvement in spending by national marketers as some cash-rich marketers restore cuts in their long-term strategies to influence and build favorable attitudes among new potential customers.

The combined spending for advertising next year by national and local marketers is now projected for a total of \$298.8 billion, a gain of 4.8% over 2006. Next year we expect total U.S. advertising to come close to matching the growth in the economy.


OVERSEAS ECONOMIES

ECONOMIC TRENDS IN MAJOR MARKETS

(Percent change in real GDP over previous year)

COUNTRY	Forecast		
	2005	2006	2007
United States	+3.2%	+3.4%	+2.7%
Canada	+3.0	+2.9	+2.8
Japan	+2.6	+2.7	+2.4
Germany	+1.1	+2.2	+1.6
United Kingdom	+1.9	+2.7	+2.5
France	+1.2	+2.2	+1.6
Italy	+0.1	+1.8	+1.6
Brazil	+2.3	+3.3	+3.5
Mexico	+3.0	+4.6	+3.4
Australia	+2.7	+2.9	+3.3
South Korea	+4.0	+5.2	+4.7
China	+10.2	+10.2	+9.1
India	+8.4	+7.5	+6.8

In 2006 most major countries in the world have experienced somewhat better economic growth than in the recent past, and the economies in most parts of the developed world are now in recovery. Next year there may be some moderation and concern about another spurt in energy costs. However, reports from around the world suggest that in most of these countries a moderate upturn in advertising trends should persist.



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2006 AD OUTLOOK IN KEY INDUSTRIALIZED COUNTRIES

(Percent change over prior year in nominal currencies)

COUNTRY	2005	2006	Forecast
			2007
Japan	+1.3%	+2.2%	+4.3%
Germany	+1.2	+2.5	+1.4
United Kingdom	+3.8	+3.8	+5.3
France	+3.0	+3.1	+3.4
Italy	+3.7	+4.1	+8.2
Spain	+7.6	+5.8	+4.8
Canada	+4.5	+4.4	+3.3
Mexico	+5.0	+9.0	+7.5
Australia	+6.0	+4.3	+4.6
Netherlands	+2.1	+3.4	+3.0

Advertising growth in these key countries improved in 2006 as a result of better economic trends while many Euro zone countries gained some extra dollars from World Cup advertising. Presently most of these countries expect similar or slightly better ad growth in 2007.

2007 AD OUTLOOK IN OTHER SELECTED COUNTRIES

(Percent change over prior year in nominal currencies)

COUNTRY	2005	2006	Forecast
			2007
Belgium	+2.5%	+3.5%	+2.5%
Brazil	+14.7	+10.0	+9.0
Greece	+6.0	+7.0	+8.0
Finland	+4.5	+3.3	+3.2
Indonesia	+16.5	+15.0	+15.0
China	+20.7	+23.6	+28.0
Czech Republic	+3.7	+5.0	+4.2
Poland	+6.7	+13.0	+11.0
Russia	+21.0	+16.4	+15.8
South Korea	+10.0	+8.0	+7.5
India	+11.0	+13.0	+14.0

Many of these selected emerging countries continued to post large single or double-digit gains in 2006, and somewhat more of the same appears likely in 2007. The emerging countries still account for a relatively small portion of worldwide advertising, but they are growing in importance and are still contributing to the pace of advertising growth outside the U.S.

In 2007 U.S. advertising growth is expected to moderate and rise at a slower rate than we now expect for all overseas countries. The net result is that we now expect global ad growth in 2007 to match the 5.3% gain of 2006.

WORLDWIDE AD GROWTH: 1990-2006

	U.S.A.		OVERSEAS		TOTAL WORLD	
	BILLION US\$	% CHANGE	BILLION US \$	% CHANGE	BILLION US\$	% CHANGE
1990	\$130.0	+3.9%	\$145.9	+11.8%	\$275.9	+7.9%
1991	128.4	-1.2	153.9	+5.5	282.3	+2.3
1992	133.8	+4.2	165.4	+7.5	299.2	+6.0
1993	141.0	+5.4	163.2	-1.3	304.2	+1.7
1994	153.0	+8.6	179.0	+9.7	332.0	+9.1
1995	165.1	+7.9	205.9	+15.0	371.0	+11.7
1996	178.1	+7.9	212.1	+3.0	390.2	+5.2
1997	191.3	+7.4	210.0	-1.0	401.3	+2.8
1998	206.7	+8.0	205.2	-2.3	411.9	+2.6
1999	222.3	+7.6	213.8	+4.2	436.1	+5.9
2000	247.5	+11.3	226.8	+6.1	474.3	+8.8
2001	231.3	-6.5	209.6	-8.6	440.9	-7.9
2002	236.9	+2.4	213.6	+1.9	450.5	+2.2
2003	245.5	+3.6	244.4	+14.4	489.9	+8.7
2004	263.8	+7.4	279.8	+14.5	543.6	+11.0
2005	271.1	+2.8	298.0	+6.5	569.1	+4.7
2006*	285.1	+5.2	314.4	+5.5	599.5	+5.3
2007*	298.8	+4.8	332.6	+5.8	631.4	+5.3

* In current local currencies

Universal McCann forecasts worldwide advertising growth in 2007 of 5.3% assuming no change in exchange rates.

The advertising industry is currently undergoing many changes and transitions and a high level of uncertainty about what lies ahead. Worldwide advertising will probably grow at a pace closely related to global economic growth in 2007.

Robert J. Coen

Senior Vice President, Director of Forecasting
December 4, 2006

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