

rubicon

PROJECT

The World Leader in
Yield Optimisation Technology



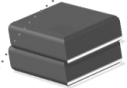
AGENDA

- About the Rubicon Project
- Display Advertising Market Trends & Challenges
- Evolution of Online Advertising
- Rise of the Machines
 - RTB
 - Private Marketplaces
- Q&A

WHO IS THE RUBICON PROJECT?

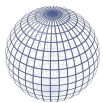
the Rubicon Project is leading a revolution of the online advertising ecosystem through the innovation of a next-generation infrastructure and a powerful, open marketplace.

R = V V



World's Leading Yield Optimisation Platform

- Trusted by 350 Premium Publishers
 - 32 of Comscore 150 (U.K.)
 - 75 of Comscore 500 (U.S.)
 - 12 of Top 15 Newspapers in the U.S.
- REVV processes more than 75 billion ad transactions per month (1+ trillion to date)

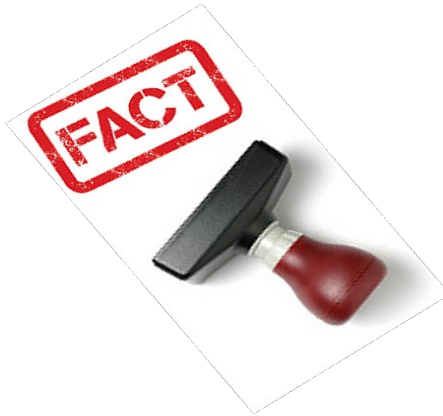


World's Largest Display Advertising Marketplace

- #1 Quantcast Rank
- 550M+ global uniques
- 600+ ad networks, exchanges, DSPs
- Non-Competitive (no advertiser access)
- Transparent (not "black box")

Fastest growing advertising tech company:

- Founded by ad server pioneers in 2007
- 230 employees
- \$60M funding
- Key Acquisitions:
 - OthersOnline: audience affinity analytics
 - SiteScout: ad security
 - Fox Audience Network
- Most Innovative Company, American Business Awards 2010

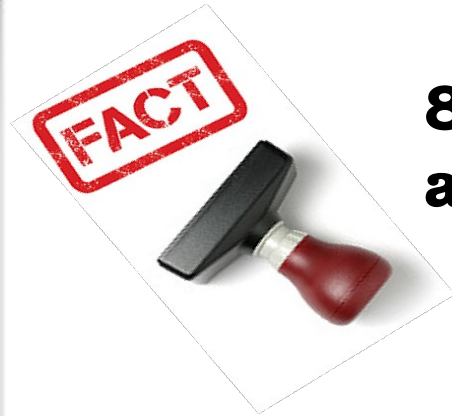


**2/3 of display advertising sold
AS non-guaranteed**

Problem: ad servers don't do yield optimisation



Lost revenue opportunity, wasted inventory



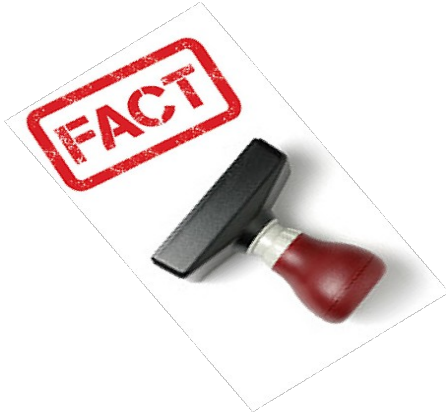
80% of ALL impressions sold BY 650+ ad NETWORKS & exchanges

(\$1BN invested into ad nets in past 2 yrs.)

Problem: ad servers don't manage sales channels - designed 10+ yrs. ago when 100% sold direct



Channel conflict, pricing erosion, poor ad quality, limited access to demand

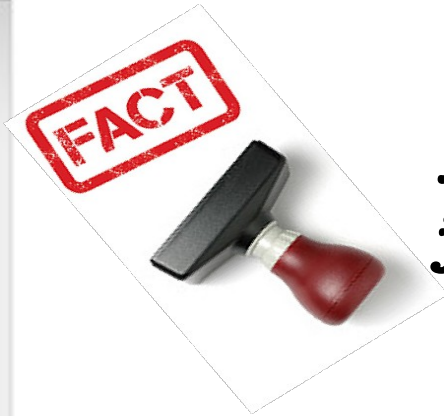


30-50% of publishers inventory is International

Problem: publishers don't have international sales teams to cover every market



Lost revenue opportunity from international inventory

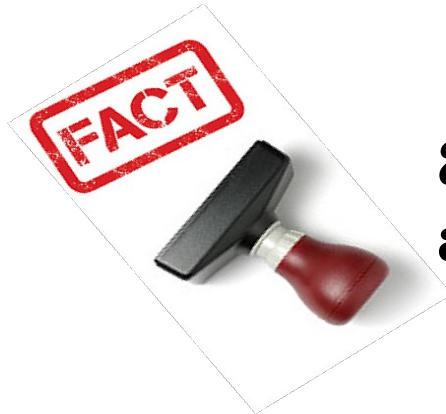


Advertisers want to buy audience, not just inventory

Problem: ad servers don't support data optimisation to sell by audience



Publishers can't capture rapidly growing \$ from audience buys

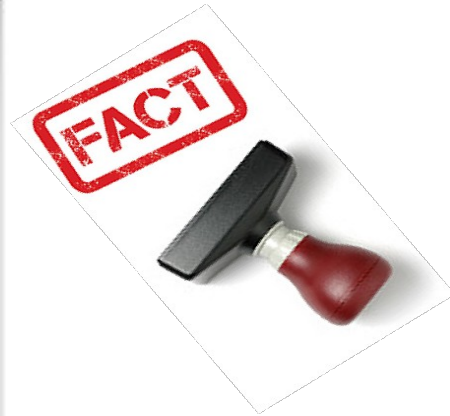


2 million ACTIVE ONLINE advertisers

Problem: publishers can't reach and
manage 2 million relationships



Limited market share access



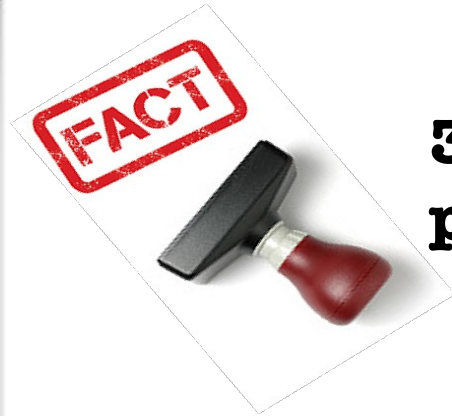
**Top 5 publishers invested \$10Bn+
into ad technology;**

rest of Top 500: < \$100M

Problem: limited technology and
scale/reach makes it difficult to compete



Pricing pressure and lost
customers/revenue to competition

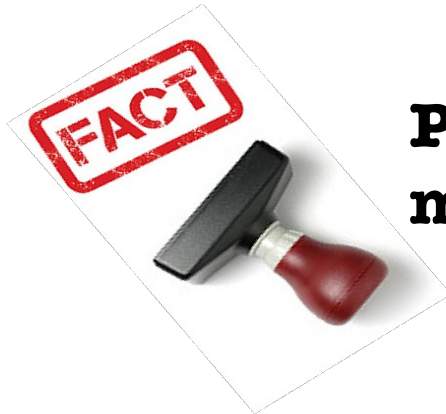


30% of ads potentially harmful to publisher's brand

Problem: publishers lack technology to manage channel conflict, ad quality and filter competitive ads and malware



Pricing erosion, lost revenue and users
(plus cost to re-acquire)



Publishers spend 30% more time & money managing AD OPS

(optimisation, ad net mgmt, ad quality, etc.)

Problem: limited automation = too much buying & selling friction

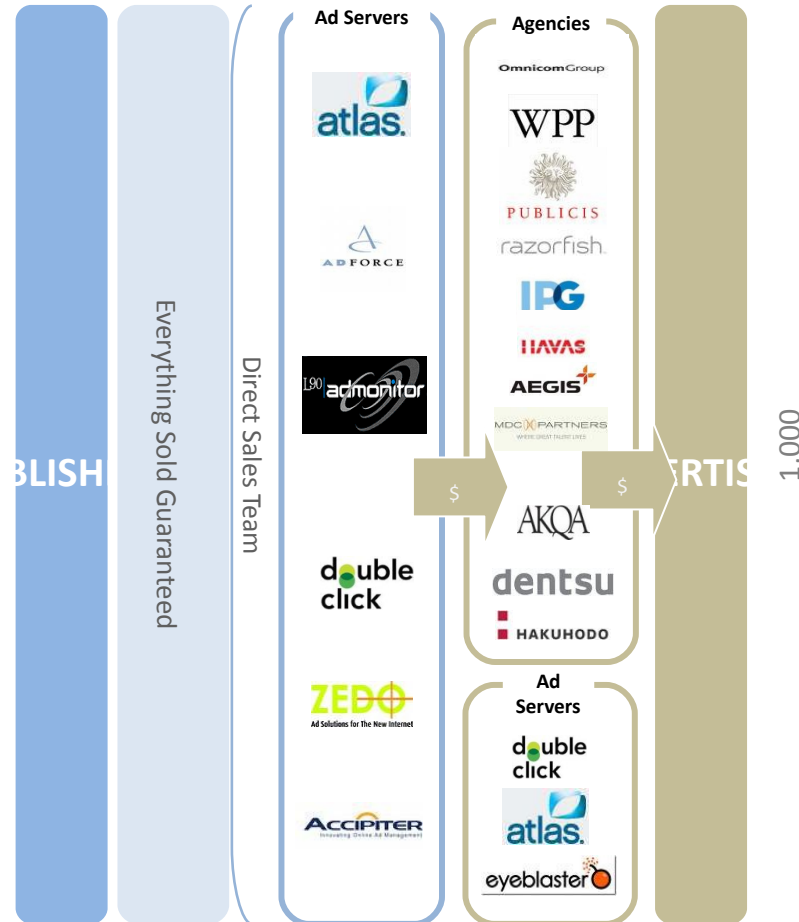


Excessive, growing sales costs

HOW WE USED TO SELL

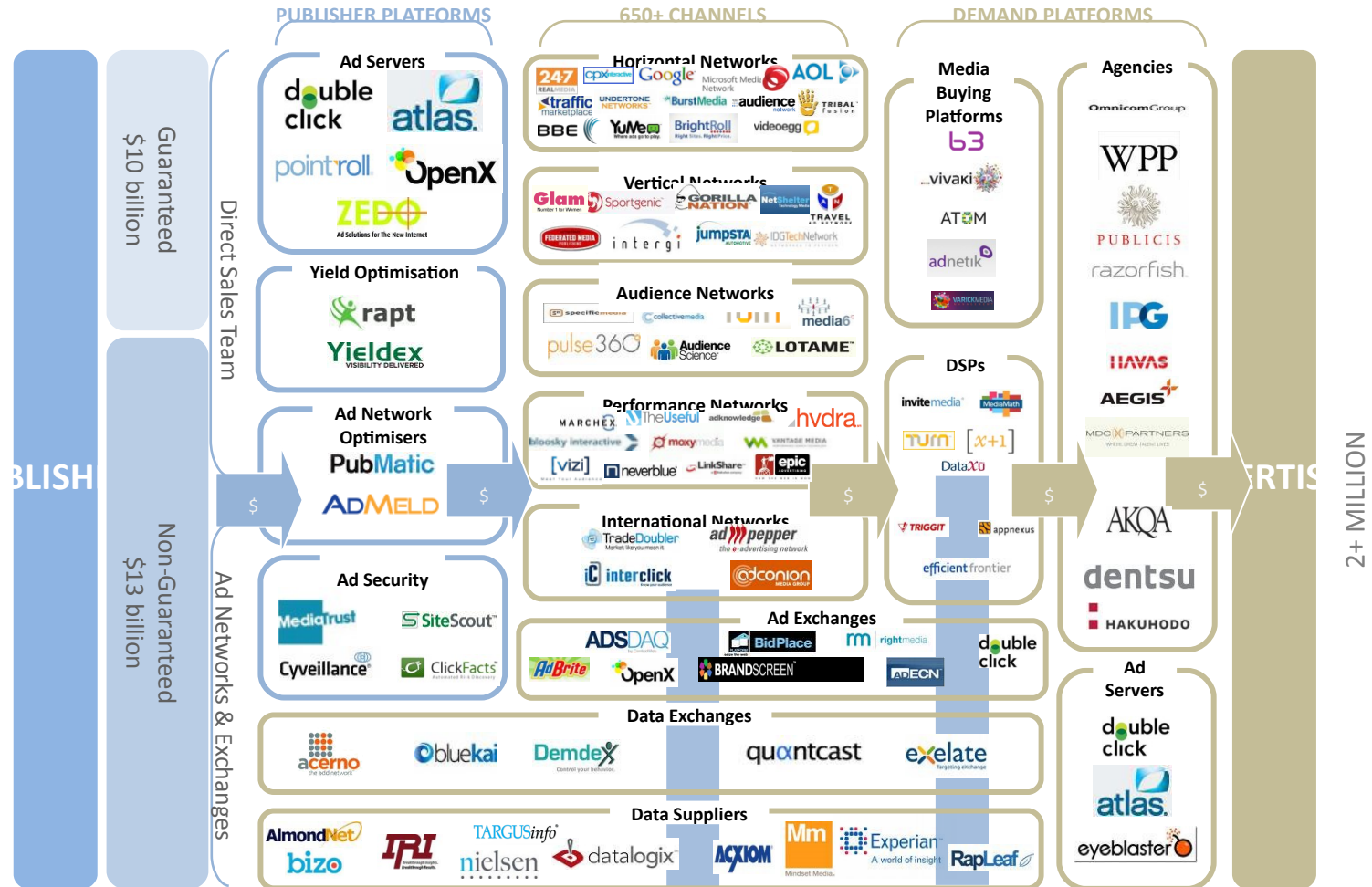
TEN YEARS AGO EVERYTHING WAS SOLD DIRECT/GUARANTEED

ALL A PUBLISHER NEEDED WAS AN AD SERVER

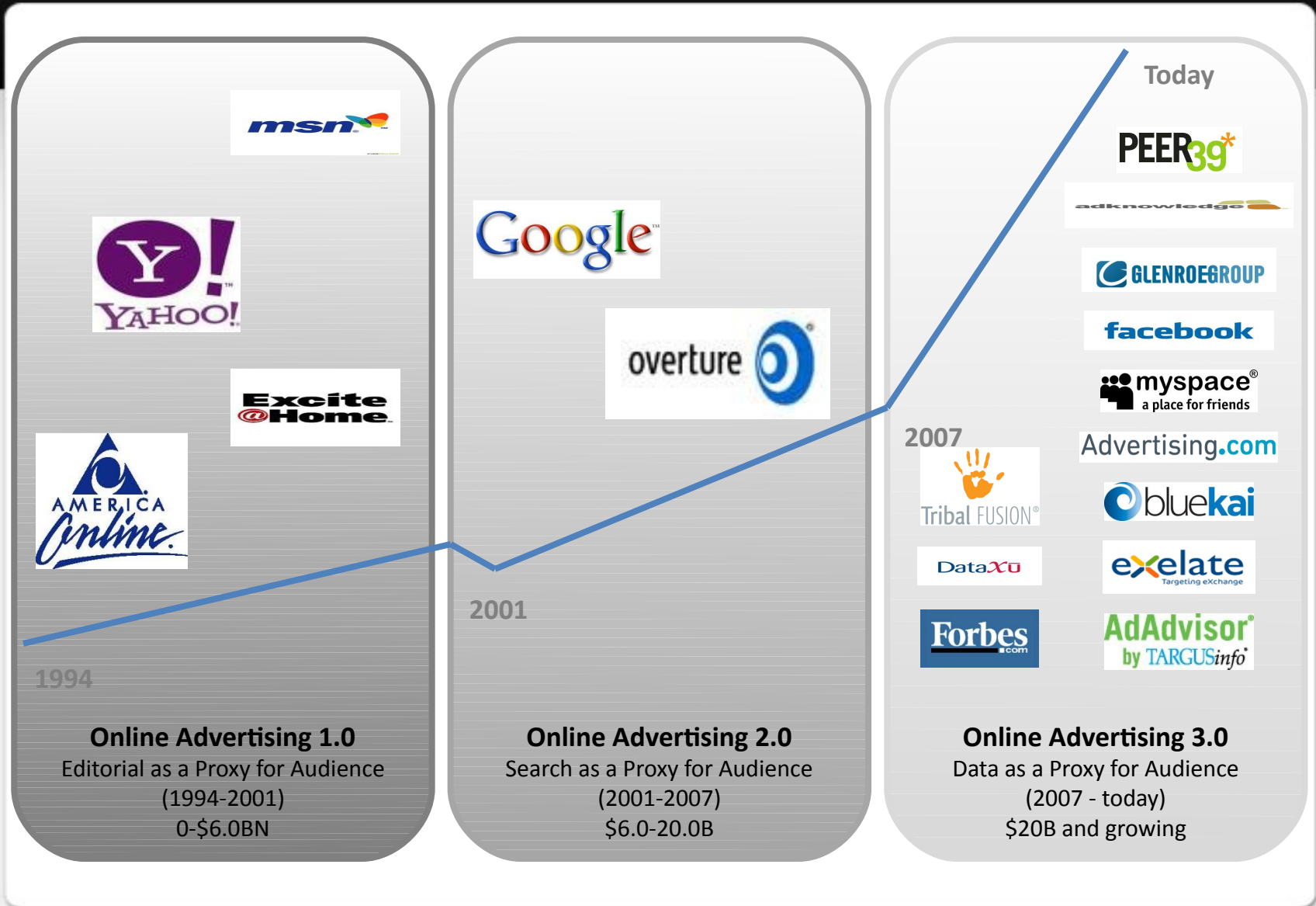


TODAY'S MARKET IS COMPLEX

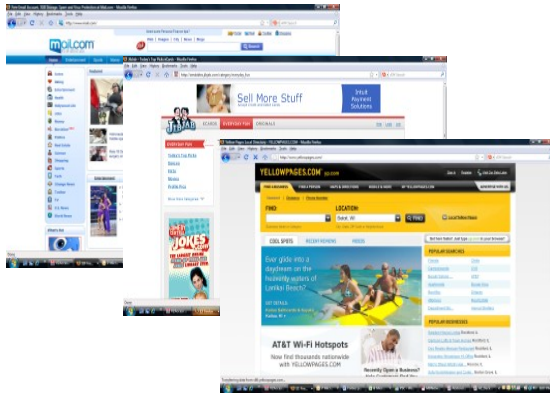
YOU NEED TO CONNECT, OPTIMISE & PROTECT YOURSELF: AD NETWORKS, EXCHANGES, DSPs AND AUDIENCE DATA PROVIDERS



EVOLUTION OF ONLINE ADVERTISING



EVOLVING VALUE OF AN IMPRESSION



Placement

- Site, Zone, section, etc.
- Ad size
- ATF/BTF
- Session Queue

Audience

- Demographics
- Behavior
- Interests
- Purchase intent
- Psychographics

Market shift to selling audience vs. sites

Display Advertising Demand



1. Sites

Sold on site-specific, channel or run of network comps



2. Audience

Individually targeted by behavior (e.g. in-market) plus context, geo, demos

Display Advertising 2009-2011: Illustrative View

<i>\$ billions</i>	2009		2010		2011		CAGR
Sites	\$6.3	80%	\$6.5	75%	\$6.9	70%	4%
Audience	\$1.6	20%	\$2.2	25%	\$2.9	30%	36%
Total Display	\$7.9	100%	\$8.7	100%	\$9.8	100%	11%

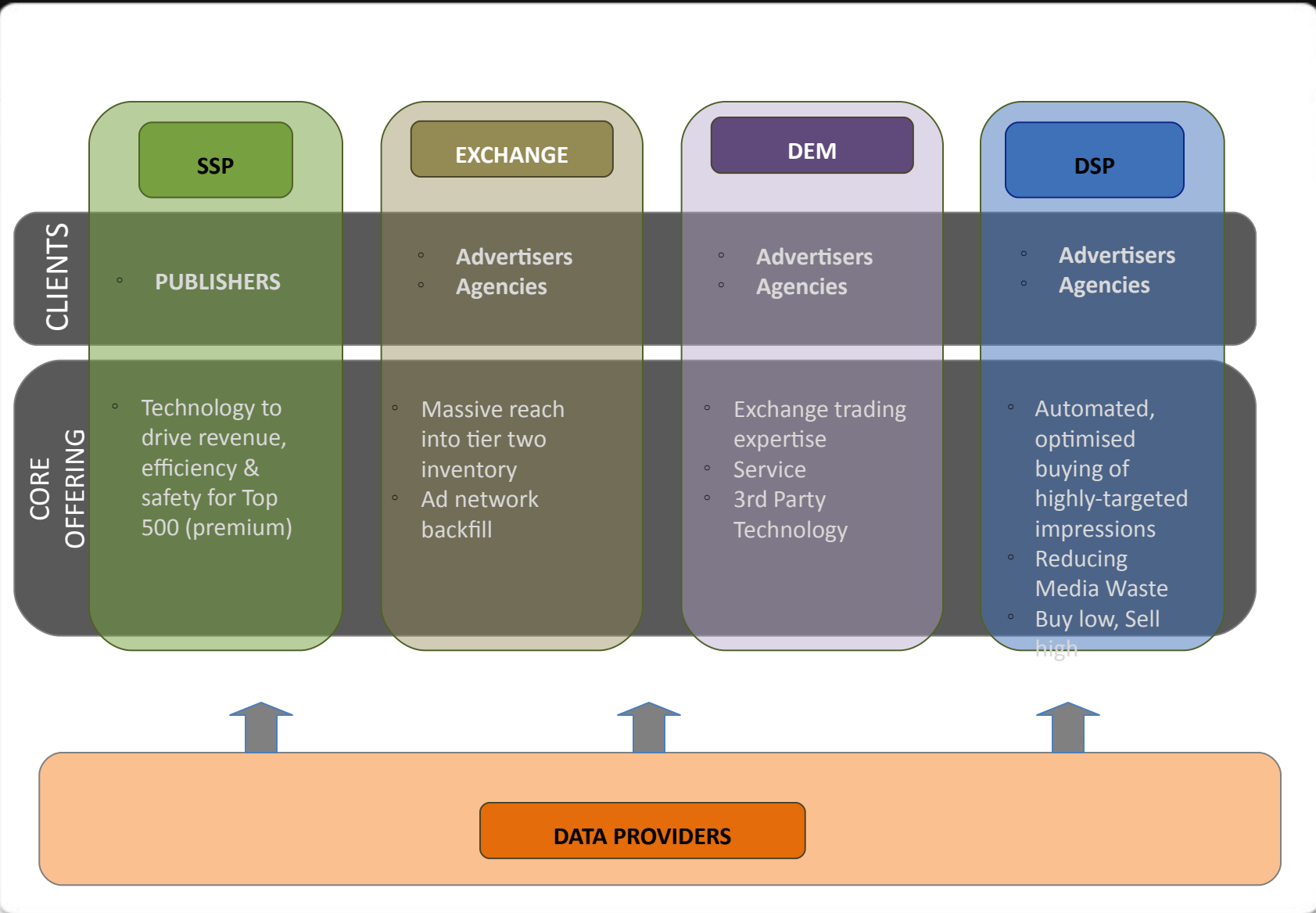
Source: eMarketer (January 2010); Think Equity; JEGI estimates

RISE OF THE MACHINES

Rise of DSPs and Agency Buying Platforms to facilitate efficiency



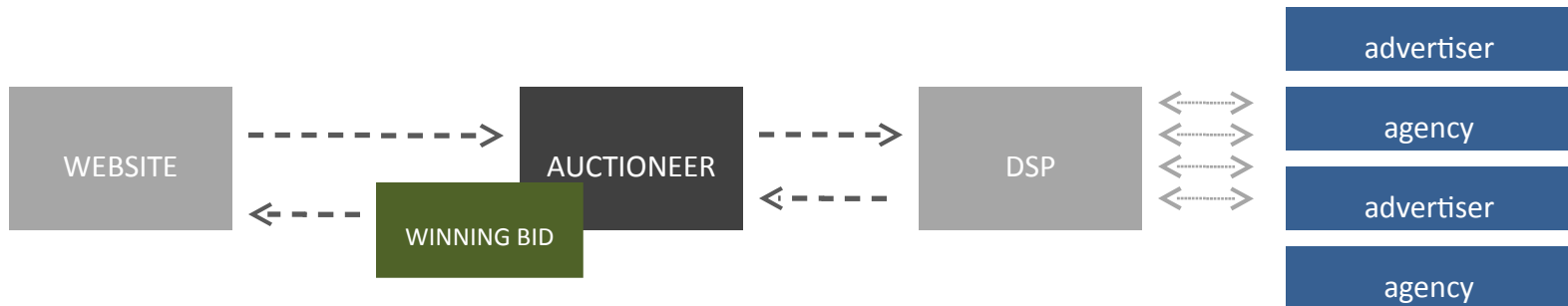
RTB ALPHABET SOUP: THE PLAYERS



RTB:HOW THEY PLAY

HOW DOES REAL-TIME BIDDING WORK?

- Real-time bidding (RTB) is an buying method that allows **buyers** to purchase inventory on an impression by impression basis
- The **auctioneer** makes a bid request to one or more **buyers** with information about the impression and user
- Each **buyer** responds with their bid and the ad call to make if they win
- The **auctioneer** chooses the winning bidder and serves that **buyer's** ad to the end user



ALL ABOUT RTB: THE BUZZ

OPPORTUNITIES & RISKS

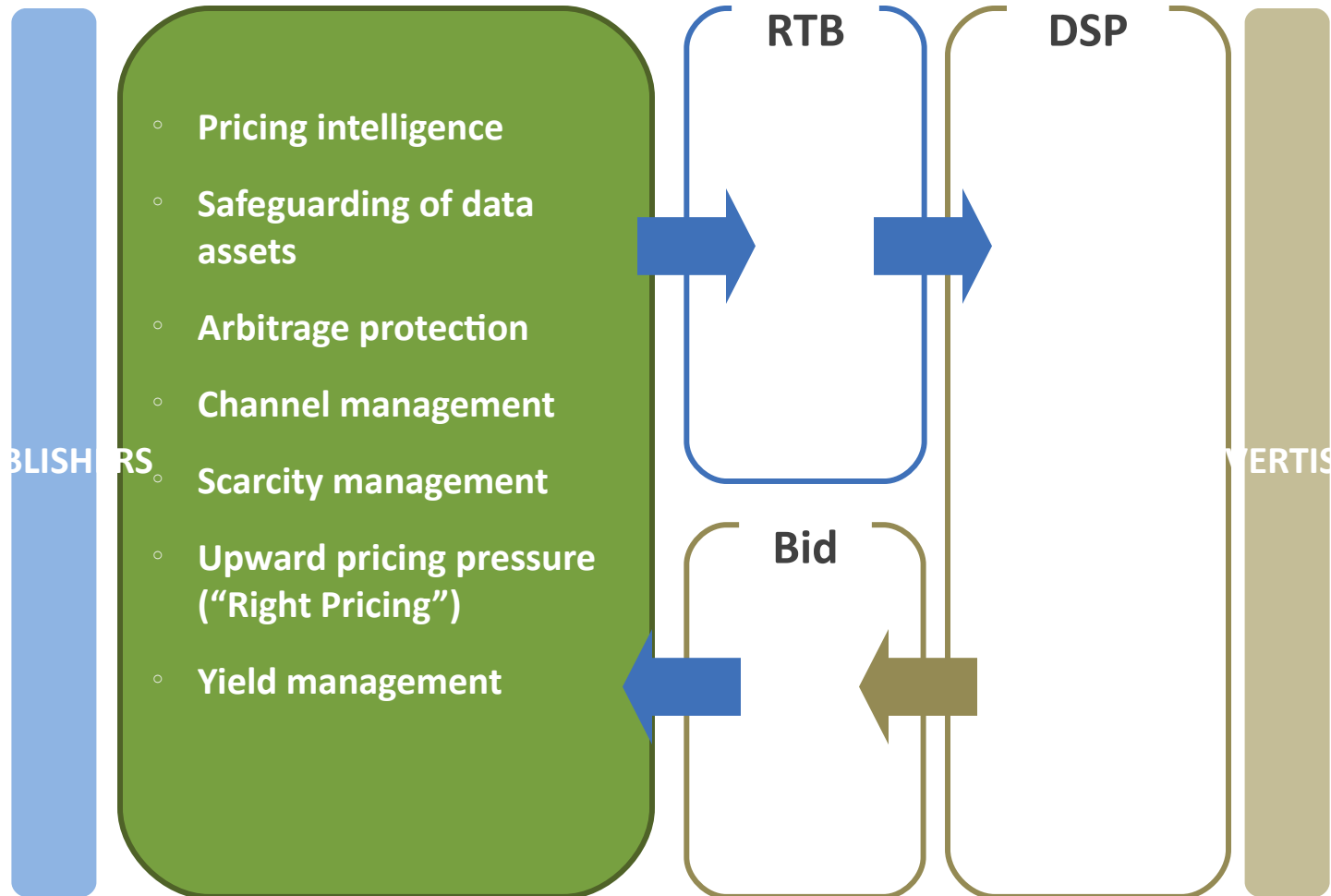
RTB can give publishers...

- **Revenue** - new source of demand
- **Quality** - high quality brand campaigns not always available through ad networks
- **Efficiency** – the right ad to the right user at the right time, at the highest possible price
- **360° Yield Optimisation**– RTB within the context of total demand access can drive overall yield

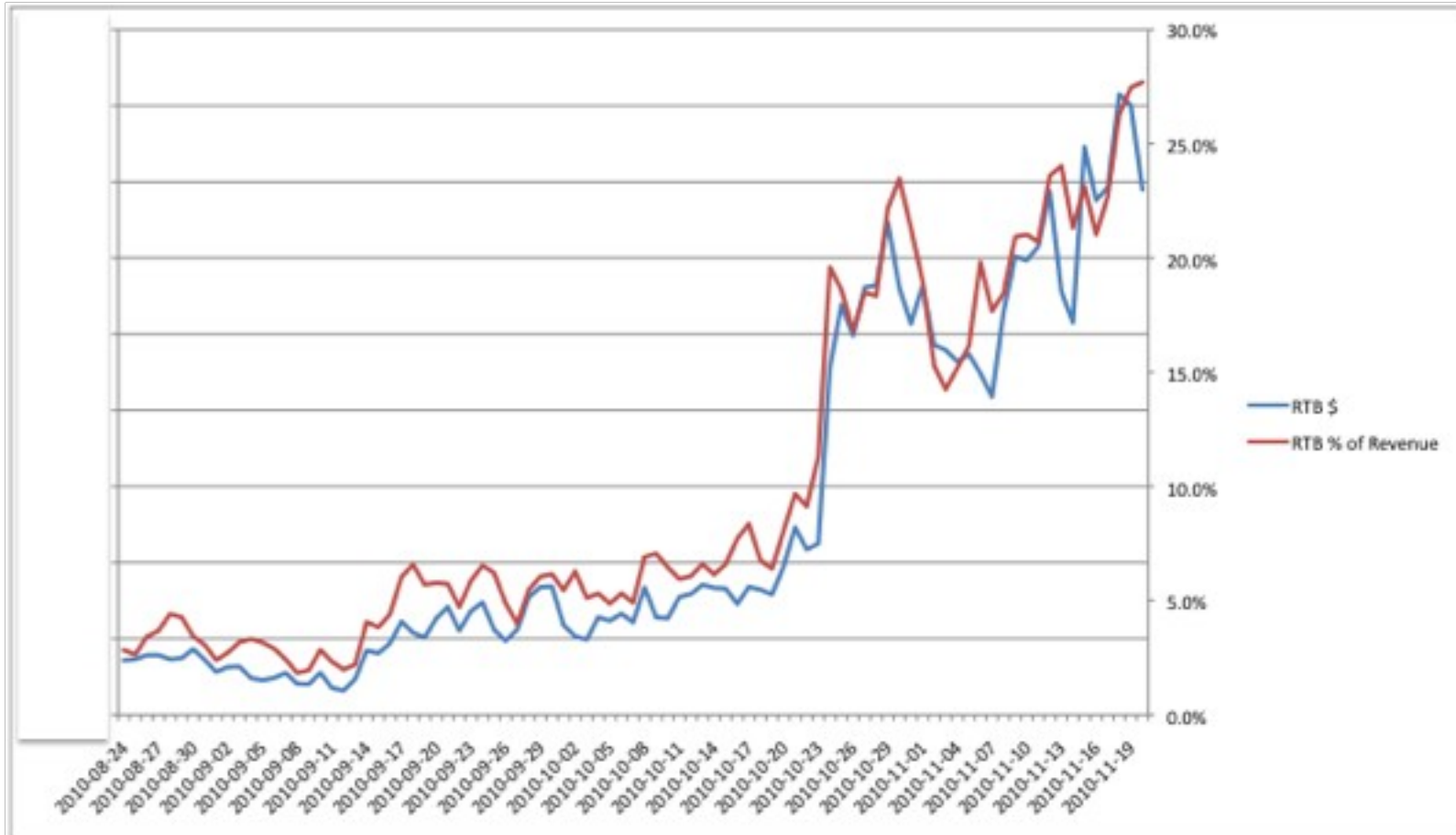
But it can take away, too...

- User Experience Issues
- Direct Sales Revenue/Channel Conflict
- Data Leakage

THE ROLE OF THE SSP IN RTB



RTB Across the REVV Marketplace



THE RESULTS TO DATE

CPM

Protected RTB is adding immediate revenue lift (3 – 5x CPM) while protecting publisher revenue against channel conflict, pricing arbitrage, & data leakage.

Net benefit: publishers seeing yield growth of 20% across ALL non-guaranteed inventory once Protected RTB is enabled

20%
CPM
INCREASE



publisher A
before RTB

publisher A
after RTB

PRIVATE MARKETPLACES – WHAT ARE THEY?

Yield Optimization

(overarching yield management)

Yield Optimization ensures every impression is sold for the highest possible price, regardless of the buying method (ad network buy, real-time bid, etc).

Protected RTB

Protected RTB optimizes real-time bids, safely, alongside all other sources of demand.

Private Marketplaces

To manage your partners within Protected RTB, **Private Marketplaces** provides functionality within REVV to enforce rules around which buyers have access to specific segments of inventory and at what price floors.

STATE OF CHANNEL MANAGEMENT IN DISPLAY

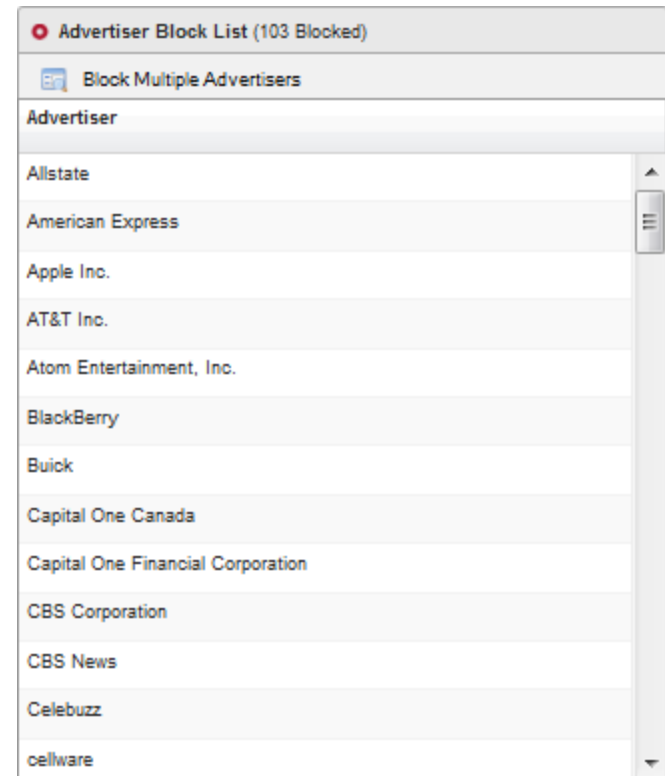
ADVERTISER BLOCK LISTS AS CHANNEL MGMT TOOL

Benefits:

- Ensures advertisers aren't able to buy your high value inventory at a non-premium price, potentially reducing direct spend.
 - **Key sales channel management tool**

Drawbacks:

- **Limits revenue** opportunity through non-direct sales channels
- Some **budgets are not easily accessible** to your direct sales team, such as budgets allocated to agency trading desks
- Blocking brand advertisers excessively leaves more inventory free for **lower quality ads**
- You might be **missing an opportunity** to forge **deeper relationships** with agencies by leveraging your non-guaranteed inventory more **intelligently**



CHANNEL MANAGEMENT TODAY

PRIVATE MARKETPLACES EXPAND OPPORTUNITY

Capture more and greater advertiser, agency and trading desk budgets with granular controls to manage all sales channels, safely and effectively.

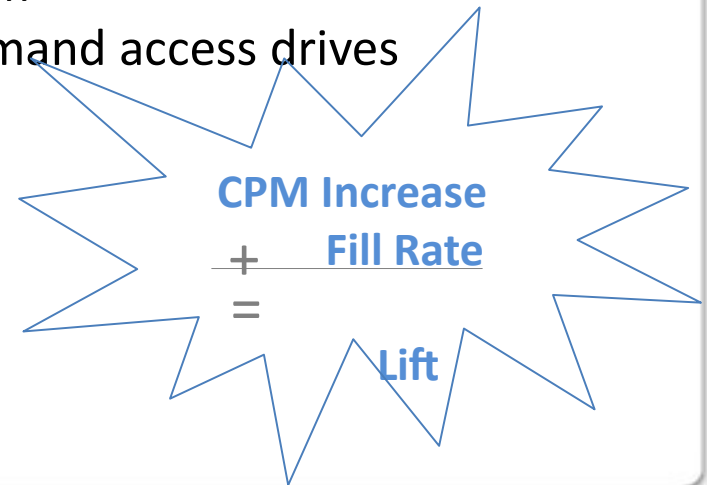
The screenshot displays a user interface for managing Real-Time Bidding (RTB) settings. On the left, there is a sidebar with 'Categories' including Sizes, Sites, Zones, Advertisers, Country, Geographic, Metro Area, State, and Age Groups. A search bar with an 'Add' button is located above the list. The main area is titled 'RTB Settings' and features a 'Disable Real-Time Bidding' toggle. Below this is a table with columns for 'Values', 'Dynamic Price Floors', 'Reserve Price', 'Price Premium', 'Throttle', and 'Exclude'. The table lists several settings, with the 'Advertiser: American Express' row highlighted in red. A 'view all' link is visible at the bottom of the list.

Values	Dynamic Price Floors	Reserve Price	Price Premium	Throttle	Exclude
- Default Settings - [6]					
<input checked="" type="radio"/> Partner: All Partners	<input type="checkbox"/>	\$ 3.79	0 %	100 %	<input type="checkbox"/>
<input type="radio"/> Site: Access Hollywood	<input type="checkbox"/>	\$ 3.79	0 %		<input type="checkbox"/>
<input checked="" type="radio"/> Advertiser: American Express	<input type="checkbox"/>	\$ 4.50	0 %		<input type="checkbox"/>
<input type="radio"/> Size: Medium Rectangle (300x250)	<input type="checkbox"/>	\$ 3.79	0 %		<input type="checkbox"/>
<input type="radio"/> Size: Leaderboard (728x90)	<input type="checkbox"/>	\$ 3.79	0 %		<input type="checkbox"/>
<input type="radio"/> Site: Bravo, Bravo-TWOP... and 16 more view all	<input type="checkbox"/>	\$ 4.17	0 %	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PRIVATE MARKETPLACES

BENEFITS

- **Visibility** – reporting informs the efforts of your sales team; identifying new opportunities
- **Control** – set price floors against segments of your inventory with as little or as much granularity as you like
- **Flexibility** – make custom changes that reflect business relationships; change rules as needed, anytime
- **Revenue Lift** – effectively manage all your sales channels within a yield optimization platform
- **360° Yield Optimization** – total demand access drives overall yield



PROVEN PLATFORM

REVV powers the INTERNET'S LARGEST PUBLISHERS

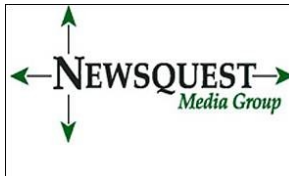


TRUSTED BY the Top 500

32 of COMSCORE 150 (UK)

88 OF COMSCORE 500 (US)

12 of top 15 US NEWSPAPERS

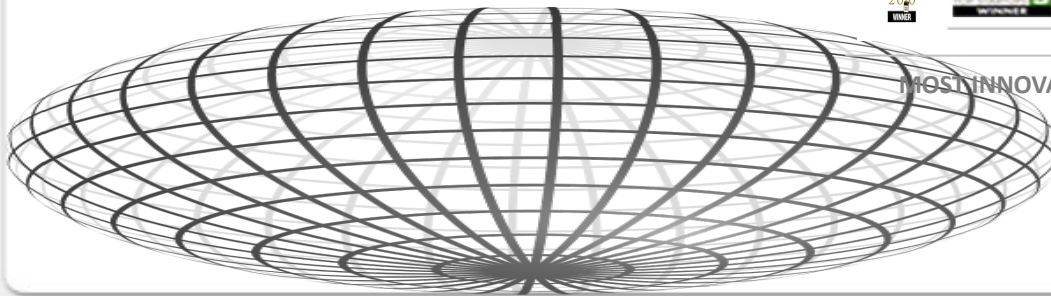


THANK YOU

rubicon

PROJECT

The World Leader in
Yield Optimisation Technology



MOST INNOVATIVE COMPANY – AMERICAN BUSINESS AWARDS 2010

“COMPANY OF THE YEAR” ALWAYS ON MEDIA 2009

2009 TIE50 WINNER

2008 ALWAYS ON 250 GLOBAL WINNER & ON MEDIA 100 WINNER

TWIISTUP3 BEST IN SHOW

PRICEWATERHOUSECOOPERS – ENTRETECH BEST STARTUP

AMERICAN BUSINESS AWARDS '08 - FINALIST BEST NEW COMPANY

#24 ON FAST COMPANY FAST 50 READER FAVORITES