

comScore August U.S. Audience Data

■ Overview of August data

This report gives investors a monthly snapshot of audience data and trends as measured by comScore Networks. We issue this report on an ongoing monthly basis, focusing on the same data points. Note: In Jan. 2006, comScore changed their method for counting page views, which lowered numbers for certain sites (e.g. Yahoo, AOL).

■ Top 10 Sites (Page Views)

1) Yahoo!, 2) Fox Interactive Media, 3) MSN-Microsoft, 4) Time Warner Network, 5) eBay, 6) Google, 7) FACEBOOK.COM, 8) Craigslist, 9) Viacom, and 10) Comcast. Our tracking index of the top 100 sites by page views was up 3% m/m.

■ Top 10 Sites (Unique Visitors)

1) Yahoo!, 2) Time Warner Network, 3) MSN-Microsoft, 4) Google, 5) eBay, 6) Fox Interactive Media, 7) Ask, 8) Amazon, 9) New York Times, and 10) Verizon.

■ Key Points

Overall, it appears that seasonal summer softness in usage is ending as fall approaches, with usage roughly flat m/m for most large properties. We note that comScore changed its definition of Fox Interactive Media to include Myspace (previously Myspace was listed separately). As a result, certain m/m comparisons are limited.

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comScore Audience Data

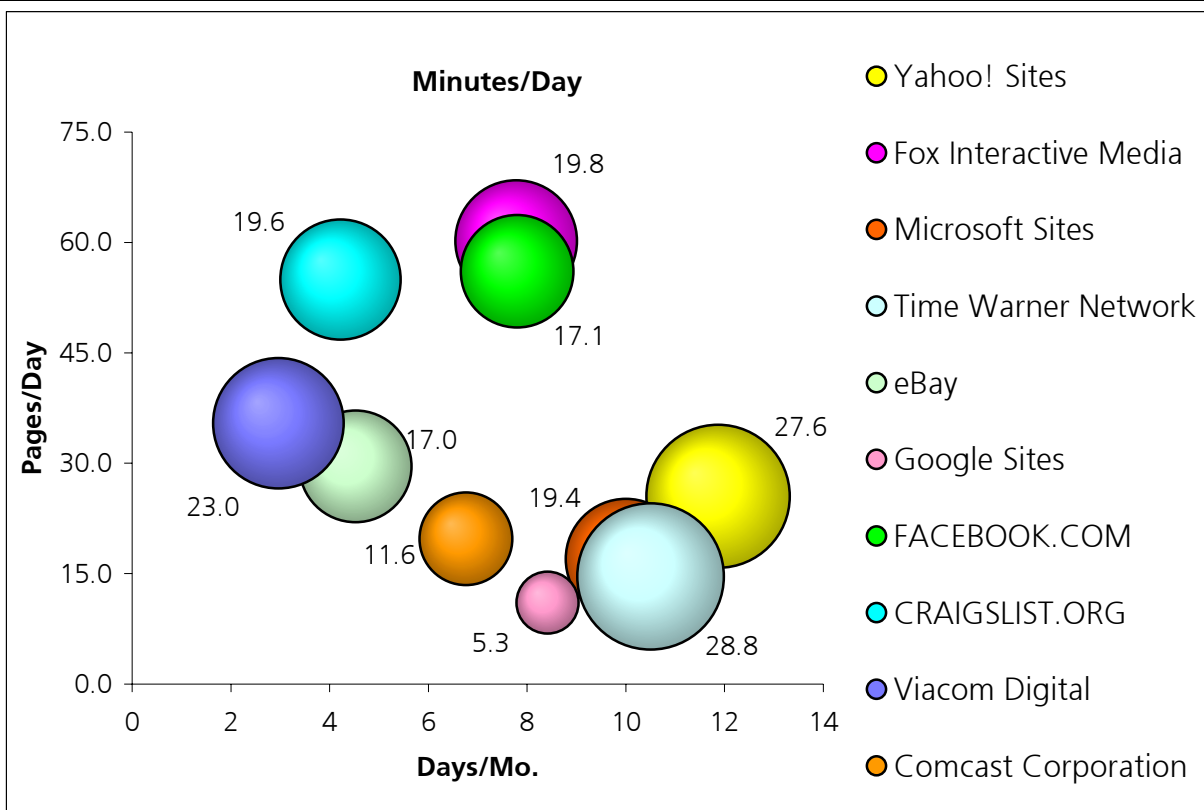
Here is the latest Myspace data, which we show separately for comparison purposes. The reason is because comScore added Myspace into the Fox Interactive Media property for the first time in August, but had previously listed Myspace independently. We point this out up front because several of the m/m and y/y comps later in this note are incomparable due to comScore's definition change. We note Myspace's positive m/m growth in both unique visitors and page views.

Table 1: Myspace unique visitors and page views

	Jun05	Jul05	Aug05	Sep05	Oct05	Nov05	Dec05	Jan06	Feb06	Mar06	Apr06	May06	Jun06	Jul06	Aug06
Unique Visitors (000s)	17,703	21,215	21,819	21,640	24,259	26,684	32,209	35,579	37,349	41,889	48,033	51,441	52,342	54,522	55,778
M/M % Change	--	20%	3%	-1%	12%	10%	21%	10%	5%	12%	15%	7%	2%	4%	2%
Y/Y % Change	--	--	--	--	--	--	--	--	--	--	--	--	196%	157%	156%
PVs (MMs)	6,219	9,275	9,424	9,646	11,552	12,511	17,562	23,125	23,566	28,808	27,457	29,403	30,187	30,911	32,912
M/M % Change	--	49%	2%	2%	20%	8%	40%	32%	2%	22%	-5%	7%	3%	2%	6%
Y/Y % Change	--	--	--	--	--	--	--	--	--	--	--	--	385%	233%	249%

Source: comScore and UBS

Chart 1: Internet Lifestyle Snapshot



Source: comScore and UBS

■ **Description:**

- This chart illustrates how users are spending their time online. After identifying the top 10 websites by total page views, we then sort the data by average daily metrics (minutes per day, pages per day, days per month) for comparability and usability purposes.

■ **Noteworthy Changes:**

- Again we see Fox Interactive Media (Myspace) showing impressive popularity and traction, with users investing a substantial amount of time and viewing a comparatively large number of pages. Yahoo! and AOL stand out as the top portals.

Chart 2: Top 100 Sites Tracking Index (mm)

Time Period	Total Page Views (mm)	M/M Change	Y/Y Change
Aug-05	454,858	1.1%	--
Sep-05	452,708	-0.5%	--
Oct-05	459,581	1.5%	--
Nov-05	454,480	-1.1%	--
Dec-05	480,014	5.6%	14.0%
Jan-06	447,296	-6.8%	9.7%
Feb-06	403,185	-9.9%	-1.8%
Mar-06	446,502	10.7%	-0.1%
Apr-06	475,365	6.5%	7.2%
May-06	484,616	1.9%	13.6%
Jun-06	492,975	1.7%	13.8%
Jul-06	487,353	-1.1%	8.3%
Aug-06	501,260	2.9%	10.2%

Time Period	Total Page Views (mm)	Q/Q Change	Y/Y Change
2Q05	1,303,272	3.0%	--
3Q05	1,357,407	4.2%	--
4Q05	1,394,075	2.7%	--
1Q06	1,296,983	-7.0%	2.5%
2Q06	1,452,956	12.0%	11.5%

Source: comScore and UBS

■ **Description:**

- We track a composite of the top 100 sites for greater comparability. We aggregate monthly data to form quarterly numbers.

■ **Noteworthy Changes:**

- August saw a 2.9% m/m increase in total pages views.

Chart 3: Site Specifics – Top 10 Sites By Total Page Views (mm)

	Property	Aug-05	Jul-06	Aug-06	M/M	Y/Y
1	Yahoo! Sites	42,213	37,691	39,725	5%	-6%
2	Fox Interactive Media	346	275	33,781	12194%	9658%
3	Microsoft Sites	21,918	19,492	20,262	4%	-8%
4	Time Warner Network	31,376	17,771	18,691	5%	-40%
5	eBay	11,957	11,196	10,728	-4%	-10%
6	Google Sites	6,005	10,267	10,061	-2%	68%
7	FACEBOOK.COM	1,955	6,108	6,463	6%	--
8	CRAIGSLIST.ORG	1,603	3,122	3,388	9%	111%
9	Viacom Digital	...	3,428	3,356	-2%	--
10	Comcast Corporation	3,437	2,316	2,459	6%	-28%

Source: comScore and UBS

■ Description:

- In Chart 3 we list the top 10 sites for the month by total page views. ***Note: In Jan. 2006, comScore changed their method for counting page views, which pushed numbers down, particularly for the portals (removed counting of applications, including Yahoo Messenger and AOL IM).**

■ Noteworthy Changes:

- Note m/m increases for the top 3 portals (Yahoo, AOL, MSN), yet a decline for eBay.

Chart 4: Site Specifics – Top 10 Sites By Total Unique Visitors (000)

	Property	Aug-05	Jul-06	Aug-06	M/M	Y/Y
1	Yahoo! Sites	121,962	129,439	131,250	1%	8%
2	Time Warner Network	118,911	121,068	121,595	0%	2%
3	Microsoft Sites	114,622	117,791	119,089	1%	4%
4	Google Sites	85,658	103,860	107,989	4%	26%
5	eBay	66,693	75,814	80,164	6%	20%
6	Fox Interactive Media	12,000	13,079	72,107	451%	501%
7	Ask Network	40,084	52,061	53,816	3%	34%
8	Amazon Sites	42,906	46,788	48,570	4%	13%
9	New York Times Digital	31,977	38,133	38,276	0%	20%
10	Verizon Communications	32,968	36,605	37,997	4%	15%

Source: comScore and UBS

■ Description:

- In chart 4 we list the top 10 sites for the month by total unique visitors.

■ Noteworthy Changes:

- Note generally flat m/m growth for most major sites, yet an increase for eBay.

Chart 5: Site Specifics – Top 10 Sites By Average Minutes Per Day Per Visitor

	Property	Aug-05	Jul-06	Aug-06	M/M	Y/Y
1	EA Online	52	33	33	0%	-37%
2	Time Warner Network	30	28	29	3%	-3%
3	Yahoo! Sites	26	27	28	2%	6%
4	Viacom Digital	...	23	23	0%	--
5	Fox Interactive Media	9	7	20	179%	121%
6	CRAIGSLIST.ORG	19	19	20	2%	4%
7	Microsoft Sites	19	19	19	0%	3%
8	Disney Online	...	19	18	-4%	--
9	FACEBOOK.COM	13	16	17	5%	32%
10	eBay	22	17	17	-2%	-24%

Source: Source: comScore and UBS

■ **Description:**

– In Chart 5 we list the top 10 sites by average minutes per day per visitor.

■ **Noteworthy Changes:**

– Note the prominence of Electronic Arts' online property and generally flat m/m growth, overall.

Chart 6: Site Specifics – Top Ten Sites By Average Pages Per Day Per Visitor

	Property	Aug-05	Jul-06	Aug-06	M/M	Y/Y
1	Fox Interactive Media	8	6	60	836%	663%
2	FACEBOOK.COM	34	53	56	5%	64%
3	CRAIGSLIST.ORG	60	55	55	1%	-8%
4	Viacom Digital	...	37	35	-3%	--
5	eBay	36	32	30	-9%	-18%
6	Yahoo! Sites	32	25	26	2%	-21%
7	JCPenney Sites	25	26	25	-6%	0%
8	Comcast Corporation	31	20	20	-1%	-36%
9	Move Network	22	21	20	-4%	-9%
10	YOUTUBE.COM	...	13	18	37%	--

Source: comScore and UBS

■ **Description:**

– In Chart 6 we list the top 10 sites by average pages per day per visitor.

■ **Noteworthy Changes:**

– Note m/m gains for Facebook, yet m/m decline for eBay.

Chart 7: Site Specifics – Top 10 Sites By Average Days Per Month Per Visitor

	Property	Aug-05	Jul-06	Aug-06	M/M	Y/Y
1	Yahoo! Sites	10.7	11.6	11.9	2.2%	10.4%
2	Time Warner Network	10.9	10.4	10.5	0.7%	-3.5%
3	Microsoft Sites	10.3	9.8	10.0	2.2%	-3.2%
4	Weatherbug Property	9.6	9.2	9.3	1.1%	-2.8%
5	Google Sites	7.5	8.3	8.4	1.3%	11.9%
6	Weather Channel, The	5.3	8.1	8.3	1.5%	56.2%
7	FACEBOOK.COM	6.9	8.0	7.8	-2.0%	12.7%
8	Fox Interactive Media	3.7	3.3	7.8	138.1%	112.8%
9	Comcast Corporation	6.7	6.6	6.8	2.4%	0.8%
10	Earthlink	5.9	6.3	6.5	3.2%	9.4%

Source: comScore and UBS

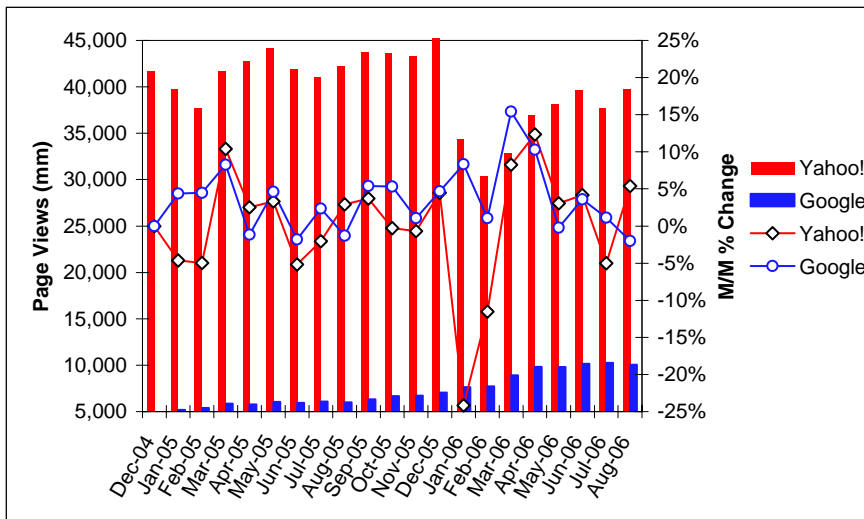
■ **Description:**

- In Chart 7 we list the top 10 sites for the month by the average number of days per month each visitor frequented each site.

■ **Noteworthy Changes:**

- Note the prominence of the portal sites, as well as the weather-oriented sites.

Chart 8: Yahoo! vs. Google Comparison by Total Page Views



Source: comScore and UBS

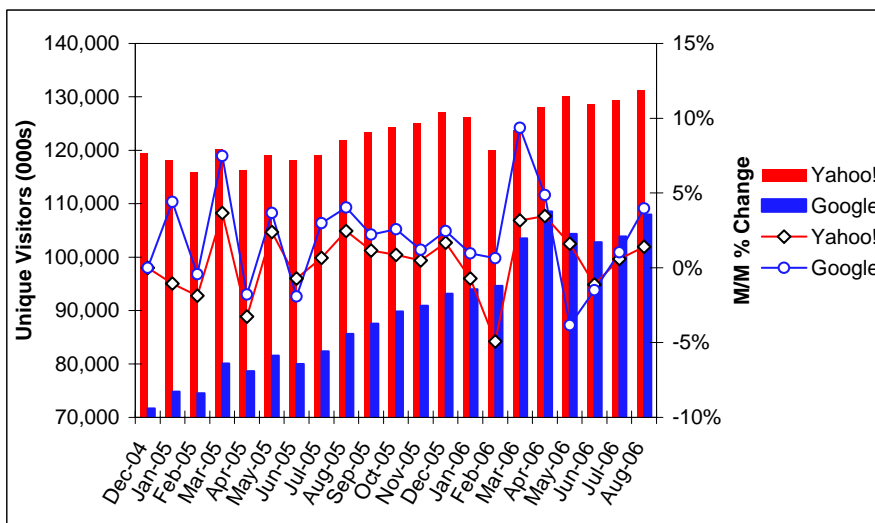
Description:

- In Chart 8 we compare Yahoo! and Google in terms of total page views, and in Chart 9 we compare Yahoo! and Google in terms of total unique visitors.

Noteworthy Changes:

- Note the end of the summer slow down, with relatively flat growth. **In 1/06 comScore changed their page view count method, lowering numbers, particularly for Yahoo!.

Chart 9: Yahoo! vs. Google Comparison by Total Unique Visitors



Source: comScore and UBS

■ **Statement of Risk**

Yahoo and Google generate the majority of their revenue from online advertising. Online advertising is a relatively new industry. There is risk that the industry could fail to grow for a variety of reasons. Yahoo and Google's businesses could suffer if the online advertising industry were to become depressed.

Yahoo and Google face significant competition from a large number of other companies, including Microsoft. They also face competition from smaller start-ups that are developing new competing technologies. Yahoo and Google's share of online advertising dollars could fall because of this competition. Additionally, various legal issues remain concerns that will not likely be decided for many years.

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Reduce 1	FSR is > 6% below the MRA, higher degree of predictability	Reduce 2	FSR is > 6% below the MRA, lower degree of predictability	Sell	7%	32%

1: Percentage of companies under coverage globally within this rating category.

2: Percentage of companies within this rating category for which investment banking (IB) services were provided within the past 12 months.

Source: UBS; as of 30 June 2006.

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Companies mentioned

Company Name	Reuters	Rating	Price	Price date/time

Company Name	Reuters	Rating	Price	Price date/time
Comcast Corporation ^{2a,4,5,6a,6b,6c,7,8,18,25}	CMCSK.O	Buy 1	US\$34.81	08 Sep 2006 19:34 EDT
eBay ^{4,6c,18,20}	EBAY.O	Neutral 2 (CBE)	US\$28.51	08 Sep 2006 19:34 EDT
Electronic Arts Inc. ¹⁸	ERTS.O	Buy 2	US\$52.51	08 Sep 2006 19:34 EDT
Google Inc. ^{2a,4,6a,18,20}	GOOG.O	Neutral 2 (CBE)	US\$377.85	08 Sep 2006 19:34 EDT
Microsoft Corp. ^{4,6b,6c,7,18,25}	MSFT.O	Buy 1	US\$25.60	08 Sep 2006 19:34 EDT
Time Warner Inc. ^{2a,4,8,13,18}	TWX.N	Not Rated	US\$16.87	08 Sep 2006 19:34 EDT
Viacom Inc. ^{2b,4,5,6a,6c,7,18}	VIAb.N	Neutral 1	US\$34.46	08 Sep 2006 19:34 EDT
Yahoo Inc. ^{18,20}	YHOO.O	Buy 2 (CBE)	US\$28.14	08 Sep 2006 19:34 EDT

Source: UBS. EDT: Eastern daylight time.

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