

## NETWORK ADVERTISING INITIATIVE RELEASES 2009 ANNUAL COMPLIANCE REPORT

*Report Finds High Level of Compliance with NAI Self-Regulatory Code; Nearly 300,000 Unique Visitors Go Through the NAI Opt Out Process in 2009*

Washington DC -- December 30, 2009 -- The Network Advertising Initiative (NAI) today released its 2009 annual compliance report, which reviews its members' collection, use, and disclosure of data for online behavioral advertising. The report, which is required under the updated self-regulatory Code adopted by the NAI in December 2008, found that the evaluated members companies "met their compliance obligations with respect to the great majority of the requirements of the NAI Code," although it also noted several areas in which improvements should be made.

"For self-regulation to be effective, there has to be a thorough and ongoing compliance process," said Charles Curran, Executive Director of the NAI. "The 2009 review shows that NAI members take consumer transparency and choice for online behavioral advertising very seriously, and are committed to meeting the requirements of the NAI Code. More importantly, this review shows how a strong self-regulatory program can help companies continuously improve their privacy standards by adopting best practices from across the industry."

The NAI compliance report also summarized consumer user metrics for 2009, highlighting more than a million unique visitors to the NAI's Web site. Additionally, the NAI reported that nearly 300,000 unique visitors went through the NAI's opt-out process. "We think that the number of visitors to the NAI site shows the significant progress we've made in ensuring the NAI opt out tool is visible and accessible to those who want to use it," said Curran.

The NAI report found that that the companies reviewed showed no compliance deficiencies with respect to most NAI Code provisions, including requirements related to transparency, notice, choice, and the collection and use of personally identifiable data for behavioral advertising purposes. However, the review did find that a number of NAI member companies needed to make improvements in two areas: disclosing their specific retention periods for data used for online behavioral advertising, and in members' efforts to enforce contractual requirements that their Web site partners implement notice and choice disclosures about behavioral advertising.

As a result of the review, the relevant NAI member companies have now either revised their policies to include a retention period for behavioral advertising data or have committed to doing so by early next year. For Web site partner notice, the review found that many NAI members have standard contractual language requiring such notice, but that the lack of consistent industry standards for disclosure, and large number of publisher sites, have presented challenges to enforcement of notice

requirements. The report noted that compliance efforts will likely be helped by the implementation in 2010 of the industry-wide behavioral advertising disclosure principles that were announced by major advertising associations earlier this year, together with increased use of notice in- or around banner advertisements. The report states that the NAI will work with members to develop a comprehensive partner notice implementation plan to further expand notice and choice across the large number of publisher Web sites that work with NAI companies.

This was the first annual review of member compliance conducted under the revised NAI Code adopted in December 2008, and it covered the 23 companies that have been members of the NAI for at least a year. The compliance report can be found on the NAI website at:

<http://www.networkadvertising.org/managing/enforcement.asp>

About the NAI:

The NAI (Network Advertising Initiative) is a coalition of 35 leading online marketing companies committed to building consumer awareness and reinforcing responsible business and data management practices and standards, and which includes all ten of the largest online advertising networks in the United States. Its initiatives are piloted by a cooperative of the most significant online behavioral companies. As increasingly sophisticated online advertising technologies evolve, the NAI works to enhance consumer confidence through effective self-regulatory practices and user choice. To learn more, visit [www.networkadvertising.org](http://www.networkadvertising.org) <<http://www.networkadvertising.org>> .