

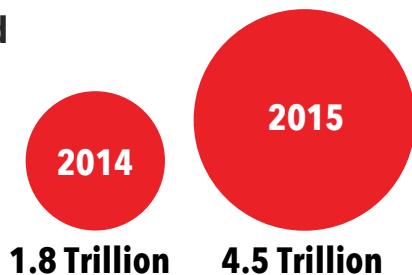
The Long Tail of YouTube

There Are 4x As Many Ad-Supported Channels on YouTube As There Were A Year Ago

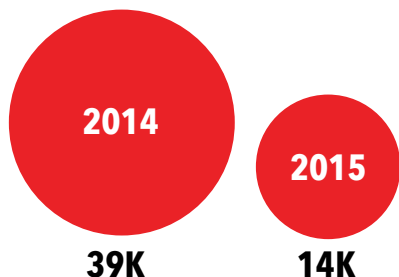
Between 2014 and 2015, Nielsen reports that the top thirty cable networks experienced a 20% decline among adults 18-49. In the same period, the top 1000 channels on YouTube grew their subscribers by more than 37% and their monthly views by 44%, with the vast majority of that growth coming from the same demographic.

Eager to reaggregate and engage this fast-moving audience, spending by the top 100 YouTube advertisers is up 60% year-over-year.

Lifetime Views of Ad-Supported Channels on YouTube



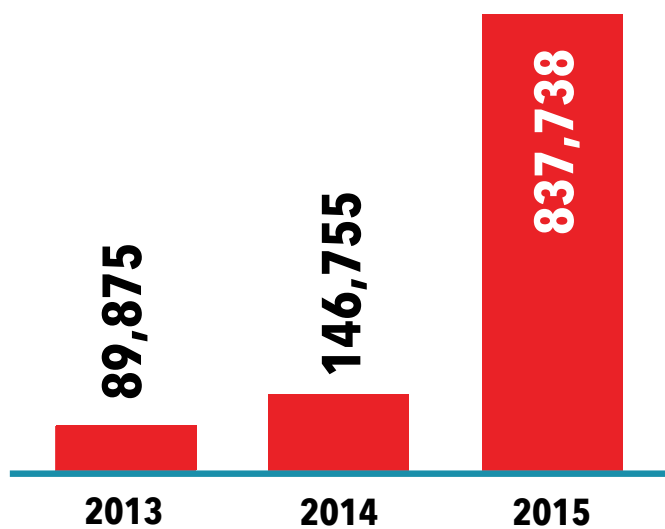
Average Subscribers to Ad-Supported Channels on YouTube



OpenSlate data as of 9/26/15. Includes YouTube channels with US pre-roll inventory; excludes channels with less than 100,000 views.



Ad-Supported Channels on YouTube



OpenSlate data as of 9/26/15. Includes YouTube channels with US pre-roll inventory; excludes channels with less than 100,000 views.

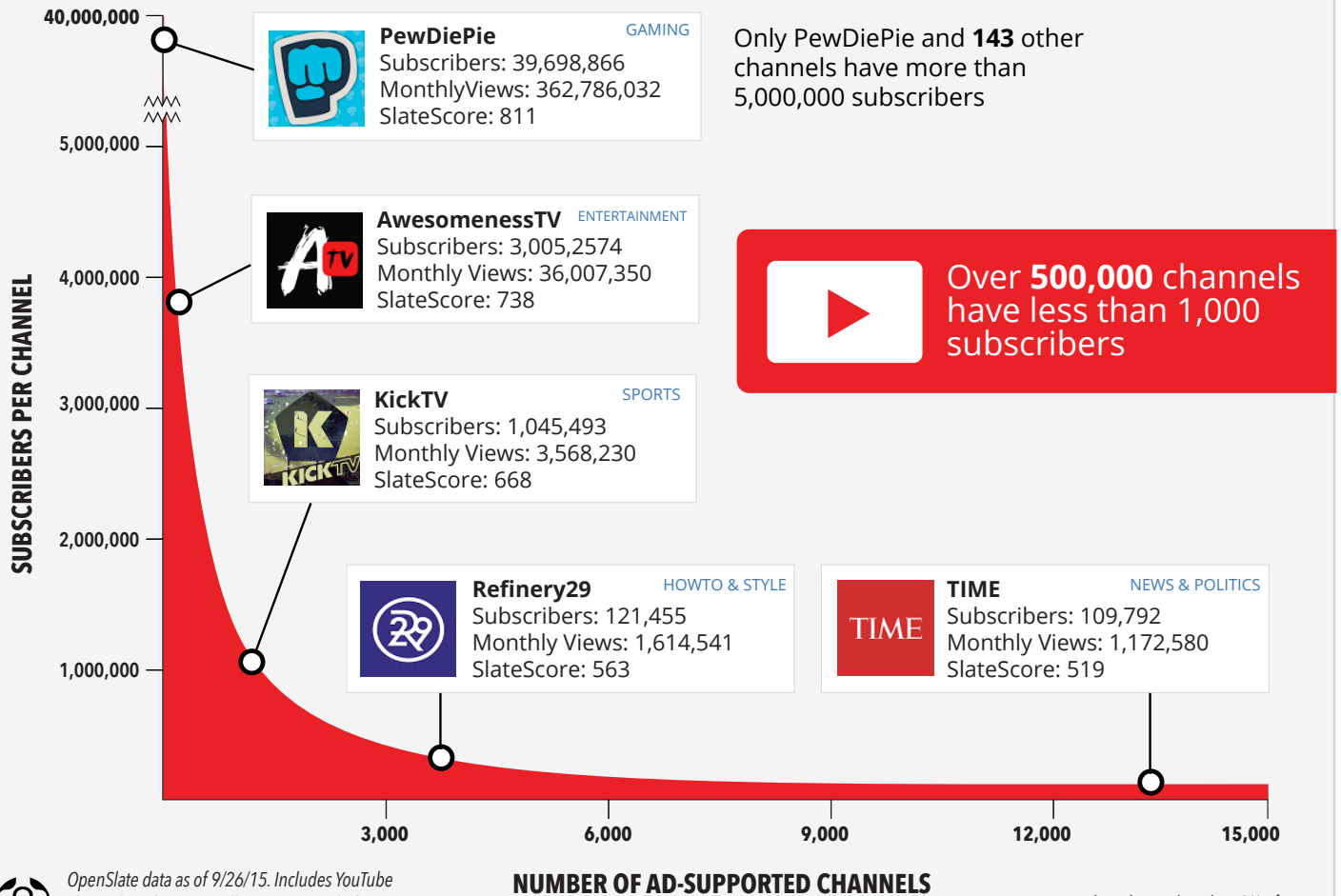
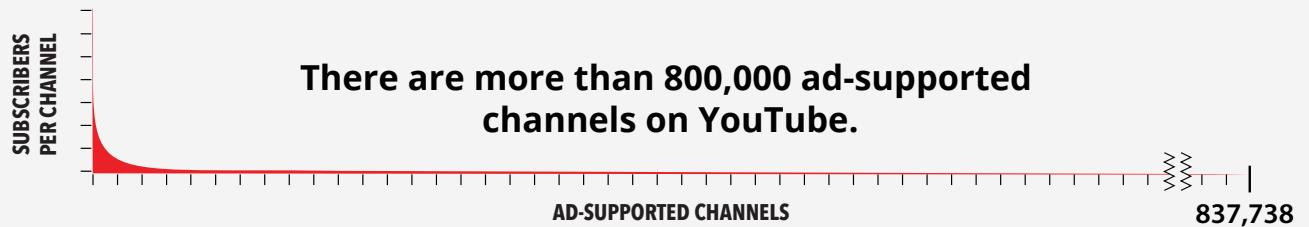


But a new fragmentation challenge to brand advertisers is emerging.

Over the past year, the number of ad-supported channels on YouTube has increased by 471%, from 146,755 to 837,738.

Driven by easier access to monetization and a continued rise in videos and views for the average YouTube channel, advertisers are now confronted with a vastly different and more complex content landscape.

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OpenSlate data as of 9/26/15. Includes YouTube channels with US pre-roll inventory; excludes channels with less than 100,000 views.

Lower chart depicts less than 2% of ad-supported channels on YouTube.

Fragmentation Stretching the Tail

While the total views to ad-supported YouTube channels have increased by 154% over the past 12 months, the average views of a YouTube channel has decreased by 56%. This massive new "tail" of content attracts very similar subject matter to the more popular content on YouTube (gaming, music, how-to), but from

a newly hatched segment of producers, who have yet to prove their mettle at delivering high-quality, brand-safe content demanded by advertisers. Nevertheless, there's certainly valuable new inventory out there, and a whole new generation of social video influencers actively engaging with marketers.