



A Survey of Over 500 Developers, Publishers & Advertisers - October 2010

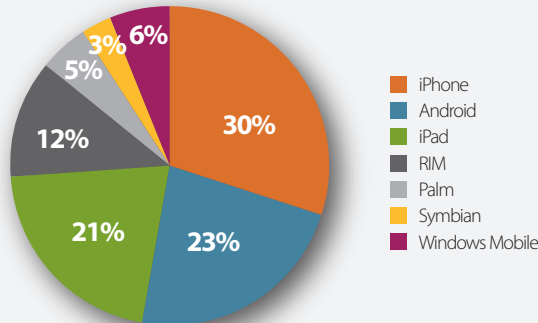


Developer & Publisher Snapshot

In Q3 2010, Millennial Media collaborated with DIGIDAY and Stifel Nicolaus to survey developers, publishers and advertisers on their current mobile app practices in 2010 and intended plans for 2011. An earlier DIGIDAY: State of the Apps Industry study that was run in Q4 2009 enables directional year-over-year comparisons from 2009 to 2010.

Mobile App Platforms For Which Publishers Are Developing in 2010

CHART A

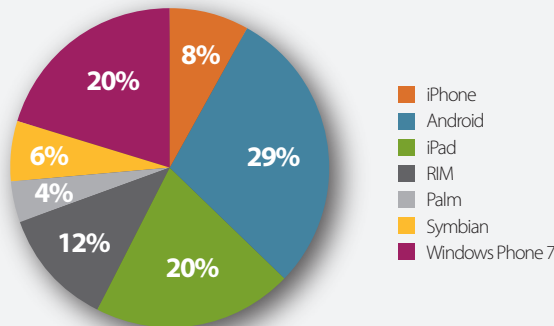


Among publishers and developers, iPhone, Android, iPad, RIM and Windows Mobile were the top five mobile application platforms of choice in 2010. The Android, iPad, Windows Mobile, and Symbian platforms saw the most growth from 2009. iPhone and RIM were the two platforms that saw year-over-year decreases.

State of the Apps Industry 2010 and 2009 Surveys; DIGIDAY, Stifel Nicolaus, Millennial Media.

New App Platforms Publishers Plan to Support in 2011

CHART B

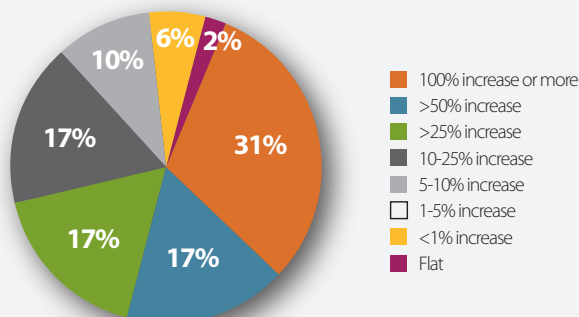


Windows Phone 7 is tied for second place with iPad as the platform that will be added to most publishers' and developers' plates in the coming year. At 29%, Android appears in pole position to challenge iPhone for the top spot of platforms for which publishers and developers create applications.

State of the Apps Industry 2010 and 2009 Surveys; DIGIDAY, Stifel Nicolaus, Millennial Media.

Publishers' Expected Increase in Apps Revenue from 2010 to 2011

CHART C



Publishers anticipate significant growth in their applications revenue in 2011. When asked to estimate their earnings over the coming year, a full 31% expect their apps revenue to increase 100% or more in 2011, with another 17% expecting an increase of 50% or more. Only 10% of respondents expect their revenues to remain flat.

State of the Apps Industry 2010 and 2009 Surveys; DIGIDAY, Stifel Nicolaus, Millennial Media.

Additional Insights

Top 5 Considerations for Choosing a Platform:

Both advertisers and publishers, when selecting which platform to develop for, have taken an increasingly cross-platform approach. Android and iPad have led the pack with significant growth, though iPhone still remains the top platform of choice. Windows Mobile and Symbian also saw growth among both advertisers and publishers.

State of the Apps Industry 2010 and 2009 Surveys; DIGIDAY, Stifel Nicolaus, Millennial Media.

1. REACH
2. DEMO
3. BETTER BRANDING
4. EASE OF USE
5. HIGHER SALES POTENTIAL

Top Considerations for Using a Network:

Of the 71% of advertisers who say they use a network (up 12% from 2009), the top 3 reasons advertisers listed for using a network include:

State of the Apps Industry 2010 and 2009 Surveys; DIGIDAY, Stifel Nicolaus, Millennial Media.

1. REACH
2. TARGETING
3. COST PER DOWNLOAD

Verticals Building Branded Applications

2010	2009
1. Entertainment	1. CPG
2. Technology	2. Retail
3. Media	3. Auto
4. Retail	4. Entertainment
5. CPG	5. Financial

State of the Apps Industry 2010 and 2009 Surveys; DIGIDAY, Stifel Nicolaus, Millennial Media.

Of those advertisers/marketers developing applications for their business, a number of key brand verticals are represented. In 2009, CPG, Retail, Auto, Entertainment and Financial companies were the top 5 verticals building apps. In 2010, however, Entertainment displaced CPG to claim the number one spot, followed by Technology, Media, and Retail. CPG remained in the top 5 at number 5.

**Only 6.7% of Developers Employ an Internal Sales Force to Monetize Their Applications
83% Use a Third Party, Like an Ad Network, to Monetize.**

State of the Apps Industry 2010 and 2009 Surveys; DIGIDAY, Stifel Nicolaus, Millennial Media.

Summary & Methodology

About Millennial Media

Millennial Media is the proven leader in mobile advertising. With the largest mobile media audience in the U.S., Millennial Media uniquely offers brand advertisers the only set of specific, scalable audiences. Our ability to reach, target and engage consumers is unparalleled. As an innovative technology leader, our mobile decisioning, serving and mediation platforms are powering some of the largest companies in the media business today. The company is committed to growing the mobile advertising marketplace by becoming the preferred partner to all advertisers seeking to reach mobile consumers, all publishers and developers seeking to maximize ad revenue and all mobile operators seeking to further monetize their networks. For more information, please visit <http://www.millennialmedia.com> or follow us on [Twitter @millennialmedia](https://twitter.com/millennialmedia). Millennial Media was named the 2010 OnMedia Top Private Company in Digital Media and was awarded a 2010 Stevie Award (American Business Awards) for Most Innovative Company of the Year.

About DIGIDAY

DIGIDAY hosts conferences on emerging media for digital media and marketing professionals. Our brand promise is that, after any given DIGIDAY, attendees should have all the direction and resources they need to execute flawlessly in each new genre. Each conference provides the opportunity to survey the industry for market trends. Our State of the Industry snapshots are briefed in DIGIDAY:DAILY and the full studies published to DM2PRO.com, a knowledge base for digital media and marketing professionals with how-to tutorials on cutting edge media genres, winning creative and content award entries for the MOBI, SAMMY and DPAC Awards, and full video from our past shows. Sign up for DIGIDAY:DAILY at <http://www.bit.ly/addTwS> to follow our upcoming research.

About Stifel Nicolaus

Stifel Financial Corp. (NYSE: SF) is a financial services holding company headquartered in St. Louis, Missouri, that conducts its banking, securities, and financial services business through several wholly owned subsidiaries. Stifel clients are primarily served in the U.S. through 310 offices in 43 states and the District of Columbia through Stifel, Nicolaus & Company, Incorporated and Thomas Weisel Partners LLC, and in two Canadian provinces through Stifel Nicolaus Canada Inc. Clients in the United Kingdom and Europe are served through offices of Stifel Nicolaus Limited and Thomas Weisel Partners International Limited. Each of the broker-dealer affiliates provide securities brokerage, investment banking, trading, investment advisory, commercial and retail banking, and related financial services to individual investors, professional money managers, businesses, and municipalities. Stifel Bank & Trust offers a full range of consumer and commercial lending solutions. To learn more about Stifel, please visit the company's web site at www.stifel.com.

Survey Methodology & Disclosures

Two surveys were used to provide the data used in this report. The State of the Apps Industry survey pools used by DIGIDAY consisted of approximately 600 digital and/or mobile industry professionals in two industry snapshots taken in November 2009 (Q4 2009) and August 2010 (Q3 2010). For clarity, all charts in this report reference only the year in which the survey was conducted. In 2010, 41% of survey respondents classified themselves as Agency/Advertiser/Marketer, 30% as Application Developer, and 29% as Publisher. In the 2009 survey, the breakout was 41%, 30%, and 29%, respectively. DIGIDAY believes its data to be representative of industry trends, even in their more targeted segments. More recently, DIGIDAY partnered with Jordan Rohan of Stifel Nicolaus, a leading Wall Street analyst of emerging media, to capture his views of what the trends captured portend for the growth and direction of these media and their potential impact on the market as a whole.

For More Information

Visit www.millennialmedia.com/research to sign up to receive Millennial Media-related news, including Millennial Media's Mobile Mix™ and the Scorecard for Mobile Advertising Reach and Targeting (S.M.A.R.T.)™ reports.

To learn more about our growing mmDev developer community or to download our latest cross-platform SDKs, visit <http://developer.millennialmedia.com>.

For questions about the data in this report, or for recommendations for future reports, contact us directly at marketing@millennialmedia.com.