

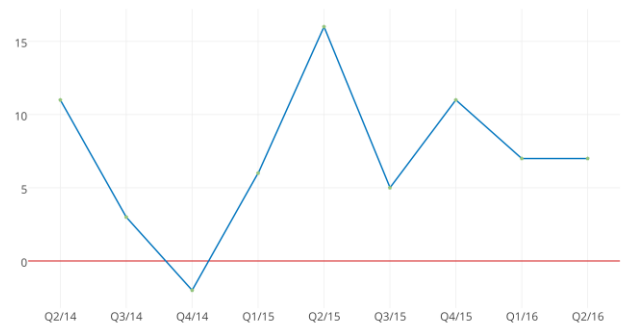
Business confidence stable across Europe, despite UK's Brexit concerns

Brussels, 08 August 2016 – Business confidence in the European advertising and marketing industry remained stable in the second quarter of 2016, a surge in confidence levels in Italy, Spain and Greece balanced out by a decline in larger Western European economies such as the UK and France, according to the European Advertising Business Climate Index released today by the European Association of Communications Agencies.

Predictably, given the uncertainty over the EU referendum, business confidence in the UK dropped significantly from April to July this year (from -15 to -31) and is now relatively the lowest in Europe. The French, German and Polish ad sectors all experienced a slight decline in confidence, falling from +5 to 0, +22 to +19 and +3 to +2, respectively. Conversely, Italian companies (+35) enjoy the highest confidence in the last two years while Sweden follows suit with +33, a significant jump from the +19 in the previous quarter. Finally, Spain showed +29, the highest it has been in the last year.

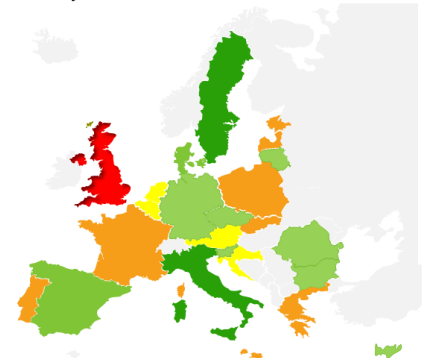
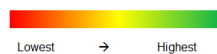
The demand for advertising services across Europe rose to +10 in Q2/2016 from +6 in Q1 while expectations for Q3 fell from +13 to +6, indicating a much more cautious industry sentiment about the political and economic future of Europe. The same discrepancy between actual evolution and expectation is also evident in employment trends. The advertising industry experienced a positive employment evolution in Q2 rising from +7 to +10 while employment expectations fell from +9 for Q2/16 to +3 for Q3/16.

Advertising Business Confidence Index



Advertising Business Confidence Index
July 2016

Austria: 7	Italy: 35
Belgium: 9	Latvia: -1
Bulgaria: 15	Lithuania: 15
Czech Republic: 15	Malta: -4
Denmark: 24	Netherlands: 8
Germany: 19	Poland: 4
Estonia: 1	Portugal: 1
Greece: -2	Romania: 16
Spain: 29	Slovenia: 18
France: 0	Slovakia: -2
Croatia: 7	Sweden: 33
Cyprus: 14	United Kingdom: -31

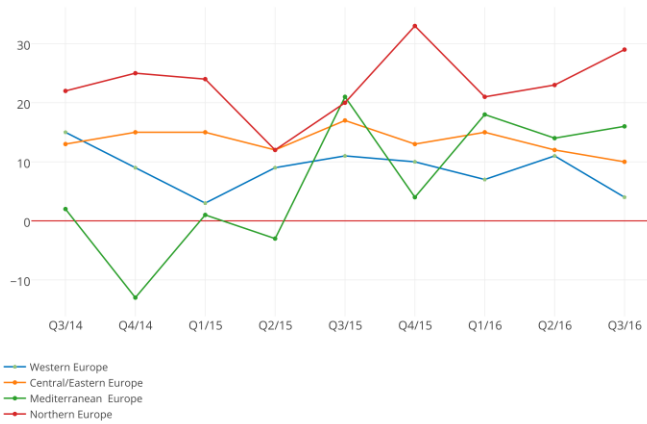


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Advertising and marketing companies from Western Europe (+4) still demonstrate the lowest expectation of demand for their services in comparison to Northern (+29), Central/Eastern (+10) and Mediterranean Europe (+16), although overall expectations remain positive.

Expectations of advertising demand over the next 3 months



When asked how they expect their firm's employment to change over the next three months, companies in Western Europe were less positive; expectations decreased from +10 in April 2016 to +2 in July 2016, whereas the Mediterranean, Northern and Central/Eastern European regions were much more positive in July than in April 2016 (expectations increased from -2, +13 and 0 to +3, +23 and 10, respectively).

Please find the European Advertising Business Climate Index report [here](#).

EACA will publish the next edition of the European Advertising Business Climate in November 2016.

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About the Advertising Business Confidence Index

The Advertising Business Confidence Index builds on responses provided by advertising and market research companies across Europe for [the Business and Consumer Survey](#) of the European Commission (DG ECOFIN). Every month, companies fill in a standardised questionnaire answering different sets of questions with a simple scale of responses: *increase* (+), *remain unchanged* (=), *decrease* (-). The numbers, expressed in the graphs and the press release, are balances. The balances are obtained after a percentage of negative answers is subtracted from a percentage of positive answers.

Regions featured in the index are **Western Europe** (Austria, Belgium, France, Germany, Netherlands and United Kingdom), **Central/Eastern Europe** (Bulgaria, Croatia, the Czech Republic, Estonia, Lithuania, Latvia, Poland, Romania, Slovakia and Slovenia), **Mediterranean Europe** (Cyprus, Greece, Italy, Malta, Spain and Portugal), and **Northern Europe** (Denmark and Sweden). Ireland, Finland, Luxembourg and Hungary do not provide data.

About EACA

The European Association of Communications Agencies (EACA) represents more than 2 500 communications agencies and agency associations from 31 European countries that directly employ more than 120 000 people. EACA members include advertising, media, digital, branding and PR agencies. They create and place adverts and develop brand-building campaigns. EACA promotes honest, effective advertising, high professional standards and awareness of the contribution of advertising in a free market economy and encourages close co-operation between agencies, advertisers and media in European advertising bodies. EACA works closely with EU institutions to ensure freedom to advertise responsibly and creatively. For more information, please go to www.eaca.eu.

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