



FACTS & FIGURES
AUGUST 2013

WHAT THE MARKET SAYS ABOUT AUGMENTED REALITY

1. INTRODUCTION

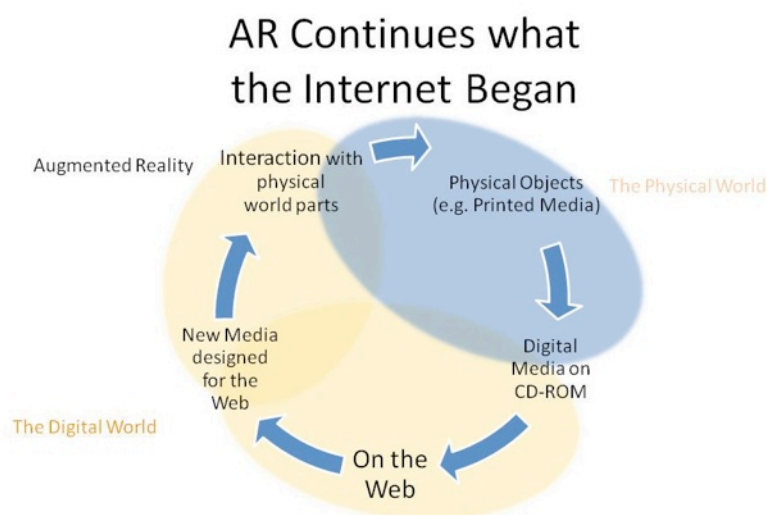
At Layar we measure everything that we do and our customers can measure everything that they do. We use these insights to continuously research and understand what works best in the augmented reality (AR) market and to see how we can improve both the experience for users and the effectiveness for our customers to engage with users.

We see that it is first of all very important that you are targeting your audience with the appropriate content and augments. Making interactive print part of your strategy tremendously helps engagement. It is also crucial to help users understand what they need to do (download the app and scan) and to be very clear on what they can expect to see. By using the appropriate calls-to-action, engagement with your users can be much higher.

The figures we show in these graphs are based on averages that we have seen in the past year and a half. This document is subject to change and will be updated regularly online.

2. THE EVOLUTION OF THE WEB & AR

The rise of the Internet and the web has allowed for the development of augmented reality and interactive print. With AR, it is possible to use the benefits of print and combine them with digital content, continuing what the internet began: connecting the physical and digital worlds.

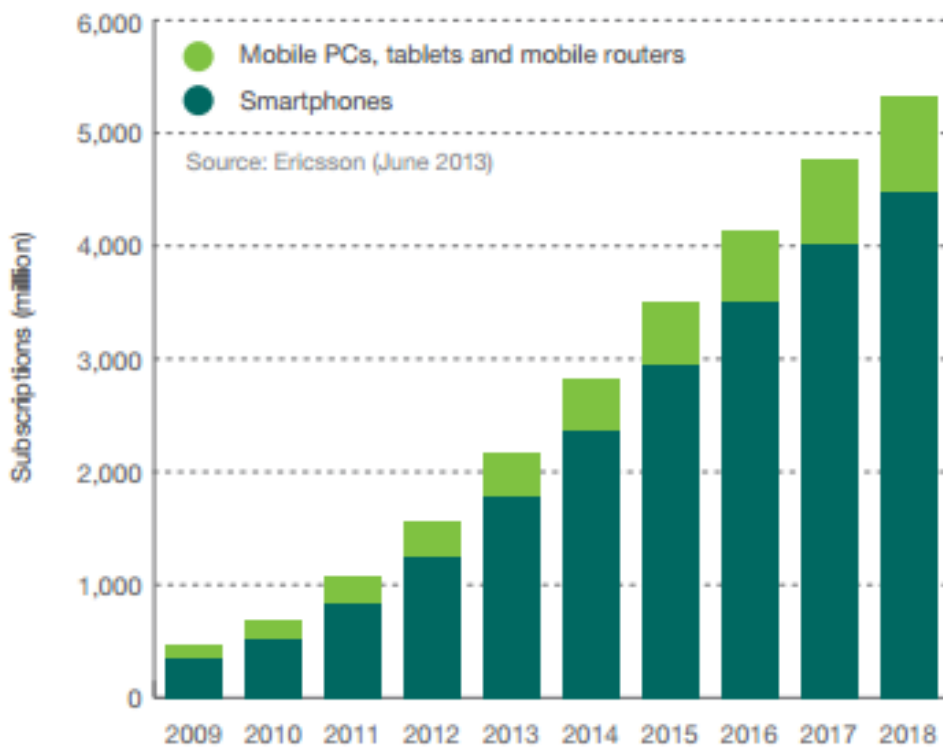


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3. GROWTH OF SMARTPHONE USAGE

IT Research company Gartner predicts that smartphone and tablet sales will increase to 1.2 billion this year and will top 2 billion by 2015.

Figure 4: Smartphone, PC, mobile routers and tablet subscriptions with cellular connection, 2009-2018



As the smartphone market continues to grow, consumers are using their devices to interact with all kinds of digital information. The experience of using your smartphone to connect the real and digital worlds is becoming more familiar for consumers, making them more likely than ever to engage with interactive experiences by scanning with their phone. Connecting meaningful and useful digital content to the real world isn't the future anymore, it's here today.

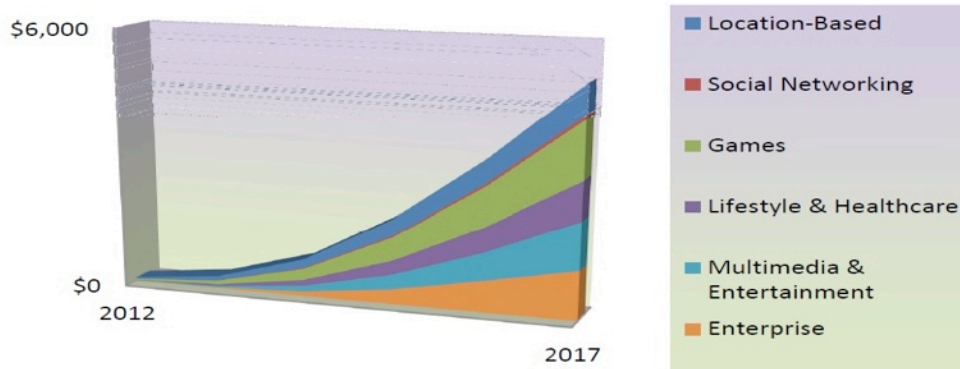
The use of augmented reality will also benefit from the upgrade of mobile networks to 4G and LTE technology, as well as the improvement of mobile hardware with faster processors and better sensors. The cost for mobile internet access is dropping as well, helping bring AR technology to more people than ever before.

These figures will be updated regularly. - Layar B.V. August 2013

4. AR REVENUE PREDICTIONS

According to Juniper Research, mobile augmented reality apps currently generate nearly \$300 million in revenue and will grow to \$5.2 billion by 2017.

Figure 2: Total Mobile AR Revenues (\$5.2bn) on Mobile Devices Split by Category 2012 – 2017



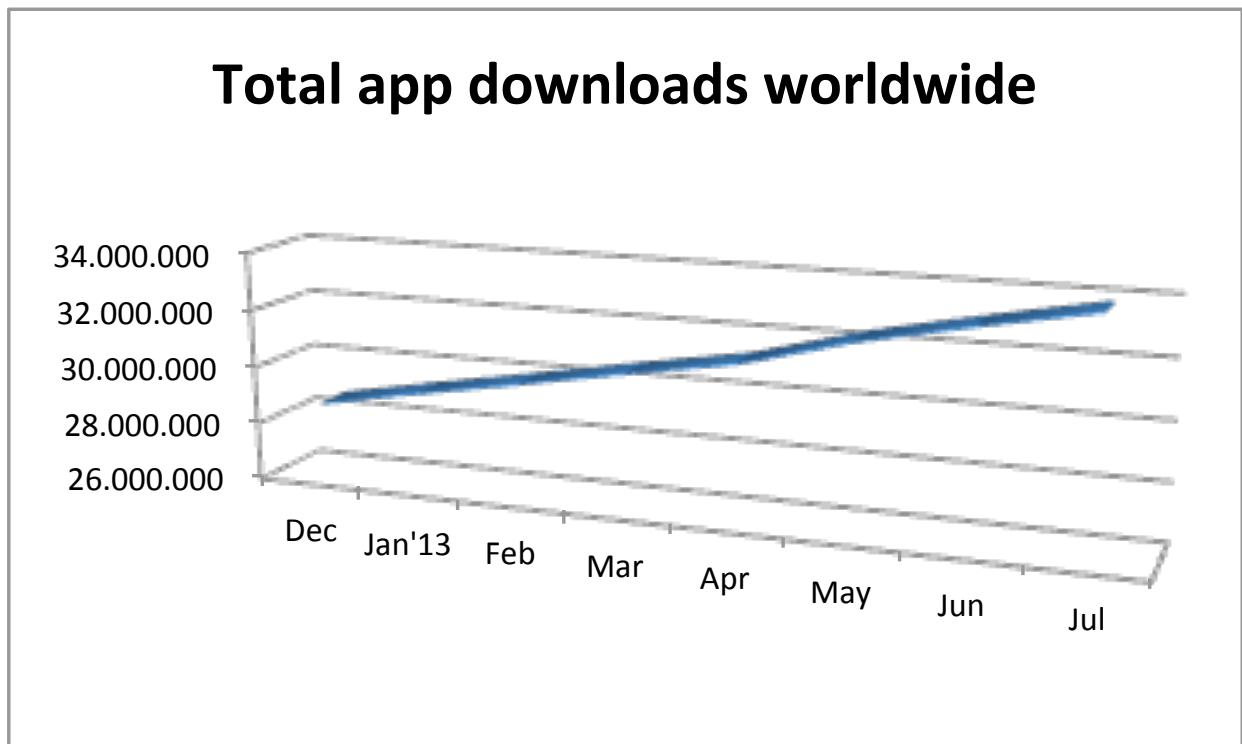
Source: Juniper Research

Hidden Creative’s research revealed a 135% increase in a buyer’s likelihood to buy when they saw an AR version of a product. It also uncovered that AR has a positive impact on value perception. Participants valued products with AR 33% higher than those without.

LAYAR STATS

5. TOTAL WORLDWIDE LAYAR APP DOWNLOADS

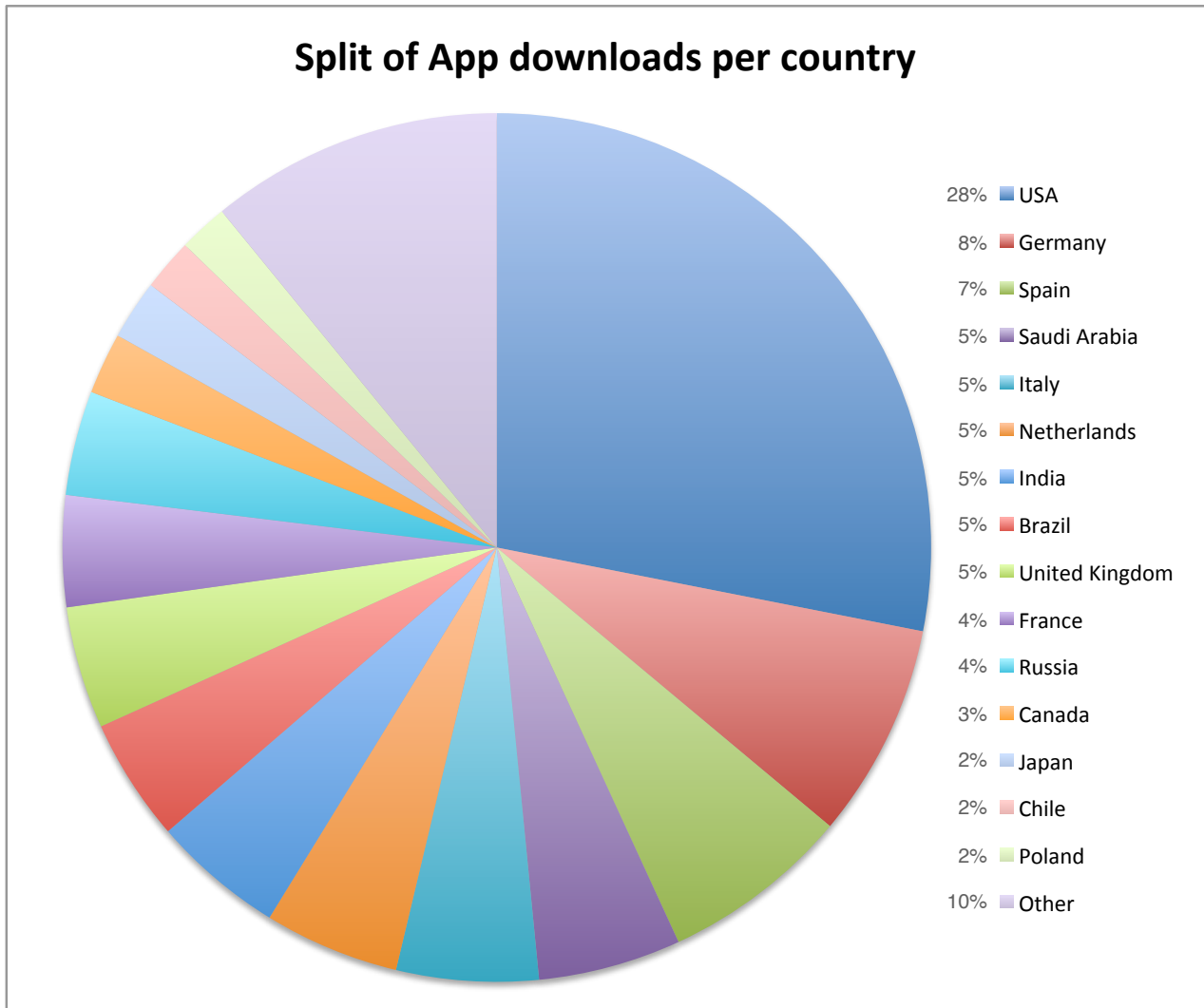
The Layar App is the world's most downloaded AR app with 33 million downloads worldwide, and continues to grow at an average of almost 1 million downloads per month. We see the global market growing very fast, but in some countries, like the United States, the growth is even more exponential.



Looking into the our download data by country, we can see a general trend.

The target group for AR and interactive print is consumers between the ages of 20 to 45 years old, independent of gender or background. Out of this target group we see that **between 7% and 15%** of this target group across the globe has downloaded the Layar App. While we consider this group as our main target of users, we do have customers that create specific content for both younger and older consumers with high engagement rates.

Due to the adoption of smartphones, the availability of internet access and the current usage of QR codes, we see some countries growing faster than others. We also see that as more campaigns are created in a country, more people in that country download the Layar App.

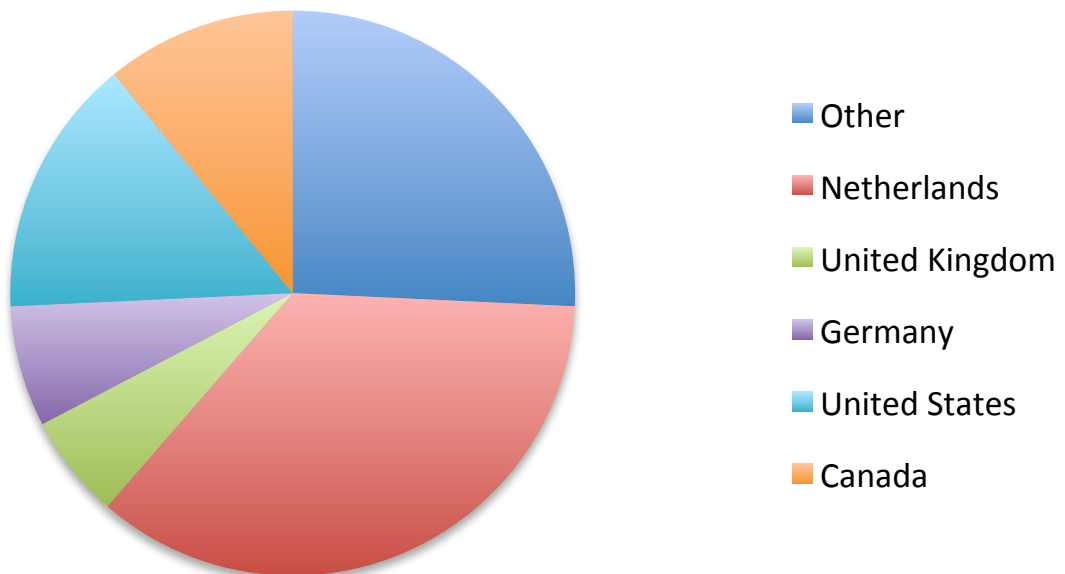


6. TOTAL GLOBAL INTERACTIVE PRINT CAMPAIGNS

There are already over 40,000 interactive campaigns and more than 200,000 interactive pages worldwide. These interactive campaigns are all created with our Layar Creator, a SaaS platform we introduced in the summer of 2012.

We see the number of campaigns and pages increasing month over month. The adoption of interactive print and tangible results are really starting to show.

% pages created by region



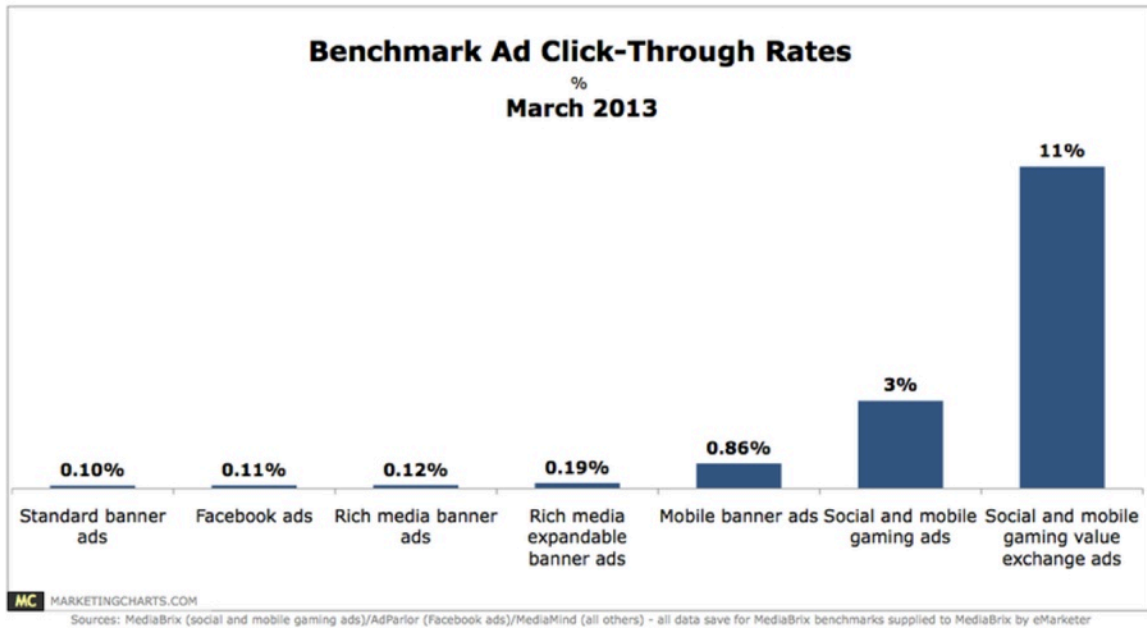
7. TYPES OF AUGMENTS

A variety of digital content can be placed on top of your print products, but we do see some formats more used than others. The most popular augments are used to...

1. Play a video
2. Display a photo carousel
3. Link to a website
4. Buy a product
5. Share, save or like content on social media
6. Participate in a poll or form

8. READER ENGAGEMENT WITH INTERACTIVE PRINT

Our results show that between 5-45% of readers scan interactive pages with the Layar App. This range is dependent on how the campaign is created and how well the customers are targeted. It also depends on the smartphone penetration among readers, the clarity of the instructions provided and the visual attractiveness of the interactive page. These growing percentages show us that readers and customers are willing to engage and are actively using the Layar App to get more information.



On average, the click-through rate (CTR) for Layar customers through the App is 87%, which means almost 9 out of 10 users that scanned a page with Layar engaged with a call-to-action and interacted with the content. This is unprecedented when compared to other industry standards.

9. CONCLUSIONS

Augmented reality is still a very new market and users and publishers need to be helped and educated on how to properly use interactive print. It is a market to explore and discover. It is new, exciting but can also seem difficult, but with the Layar Creator it is easy to create your own campaigns and track their success without any technical know-how.

What can it do for your business? You can engage with your users, grow your business with new revenue opportunities and grasp the innovative edge over your competitors.

We see that:

- With the high amount of downloads, users are clearly eager to experience AR.
- High CTR numbers show that users engage with AR more than other mediums.
- AR is no longer a thing of the future, it is here now and it is real!



GET STARTED TODAY!

We would love to join you on a journey with AR and interactive print.
To get started, visit us online at www.layar.com.

If you have any questions, feedback or just want to get in touch with us,
please do not hesitate to email us at sales@layar.com.