

Exhibit 1



AdWords Help

This Help Center is for the new AdWords interface.

See our [New Interface Overview](#) to learn more. If you're still using the previous interface, find help [here](#).

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How are ads ranked?

Ads are positioned on search and content pages based on their Ad Rank. The ad with the highest Ad Rank appears in the first position, and so on down the page.

Ad Rank formulas

The criteria determining Ad Rank differ for your keyword-targeted ads depending on whether they're appearing on Google and the search network or on the content network. There's also a third set of criteria determining whether a placement-targeted ad will show on a given content page. Click the links below to see the Ad Rank formula for each scenario.

[Keyword-targeted ads on Google and the search network](#)

A keyword-targeted ad is ranked on a search result page based on the matched keyword's [maximum cost-per-click \(CPC\) bid](#) and [Quality Score](#). Note that some [search network](#) partners may adjust ad position based on their own system.

Ad Rank = CPC bid × Quality Score

The Quality Score for Ad Rank on Google and the search network is determined by:

- o The historical [clickthrough rate \(CTR\)](#) of the keyword and the matched ad on Google; if the ad is appearing on a search network page, its CTR on that search network partner is also considered
- o Your account history, which is measured by the CTR of all the ads and keywords in your account
- o The historical CTR of the [display URLs](#) in the ad group
- o The relevance of the keyword to the ads in its ad group
- o The relevance of the keyword and the matched ad to the search query
- o Your account's performance in the geographical region where the ad will be shown
- o Other relevance factors

A note about appearing above the search results:

Up to three AdWords ads are eligible to appear above the search results (as opposed to on the side). Only ads that exceed a certain Quality Score and CPC bid threshold may appear in these positions. If the three highest-ranked ads all surpass these thresholds, then they'll appear in order above the search results. If one or more of these ads don't meet the thresholds, then the next highest-ranked ad that does will be allowed to show above the search results.

The CPC bid threshold is determined by the matched keyword's Quality Score; the higher Quality Score, the lower the CPC threshold. This ensures that quality plays an even more important role in determining the ads that show above search results.

[+](#) [Keyword-targeted ads on the content network](#)

[+](#) [Placement-targeted ads on the content network](#)

Improving your ranking

Having relevant keywords and ad text, a strong CTR on Google, and a high CPC bid will result in a higher position for your ad. Because this ranking system rewards well-targeted, relevant ads, you can't be locked out of the top position as you would be in a ranking system based solely on price. Also, the AdWords Discounter monitors your competition and automatically reduces your actual CPC so you pay the lowest price possible for your ad's position on the page.

Here are some resources for improving your Quality Score and ad ranking:

- **Optimization Tips:** Visit our [Optimization Tips](#) page to learn more about account optimization, including how to maximize performance for your keyword-targeted ad and improve your ad's position without having to raise your bid.
- **Traffic Estimator:** Use our [Traffic Estimator](#) to see how changing your CPC bid can affect the ad position of your keywords on Google and the search network.
- **Content Bids:** Use [content bids](#) to better control your ad position on the content network.

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