



Online Advertising surpasses \$1.7 billion for 2008

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Online Advertising surpasses \$1.7 billion for 2008 Fourth quarter of 2008 shows an increase of 22 percent from fourth quarter 2007 Online advertising has continued to defy market conditions, surpassing \$1.7 billion for the 2008 calendar year, representing an increase of \$364.25 million or 27 percent year-on-year growth according to figures released today by IAB Australia in its Online Advertising Expenditure Report (OAER) which is compiled by PriceWaterhouseCoopers (PWC). The report shows that the strong growth experienced in the past is continuing, though at a slower pace, which is to be expected with the ongoing maturity of the online advertising market and as the global financial crisis begins to impact the Australian economy and advertising industry. Expenditure for the fourth-quarter 2008 totalled \$462 million, an increase of \$83.25 million (or 22 percent) on the fourth-quarter 2007, and \$10.75 million (or 2.4 percent) from the third-quarter 2008. According to Paul Fisher, CEO of IAB Australia, the results demonstrate the growing confidence advertisers and agencies have in online advertising. "As expected, the growth rate has slowed, as the market feels the early impact of the global financial crisis and as the cycle of growth enters the early stages of a mature, more sustainable rate. However in these conditions the figures clearly show that online is now seen by a growing number of marketers and agencies as a 'core' advertising medium, and they are continuing to shift their investment where they can more cost effectively reach and engage their consumers with their brand and direct response messages. "As marketers and agencies face increasing pressure to gain maximum and measureable returns on their investments we expect this shift to online expenditure will continue and quite possibly surpass \$2 billion by the end of the calendar year," said Mr Fisher. PwC lead partner for technology, entertainment and media, David Wiadrowski, said: "Given the significantly difficult economic times being experienced by the Australian economy, the report shows exceptional year-on-year growth across General Display and Search and Directories for the December 2008 quarter. However signs of the economic slowdown have impacted the classified market during the quarter." General Display advertising and Classifieds advertising accounted for 28.1 percent and 23.4 percent of the total advertising expenditure for the fourth-quarter 2008, respectively, while Search & Directories advertising comprised the remaining 48.5 percent. Online Advertising Expenditure – 3 months ended 31 December 2008 Category Share Both General Display and Search and Directories grew from the prior quarter, however Classified advertising experienced a decrease for the quarter. Finance, Computers & Communications and Motor Vehicles sectors continue to be the dominant industries using General Display advertising, and comprise over 48 percent of the General Display spending. Finance, which incorporates Business Banking, Credit Cards, Home Loans, Superannuation, Personal Banking, Wealth Management and Other Finance, was the highest spending Advertiser Industry Category in the fourth-quarter 2008 with 21.3 percent, a large increase in its share from 20.2 percent in third-quarter 2008 Recruitment continues to be the leading category for Classified Advertising expenditure, followed by Real Estate, then Automotive. Within the Search and Directories market, Search is growing at a faster rate than Directories. The IAB Online Advertising Expenditure Report includes financial data from over 1,000 websites. Ends. About the Interactive Advertising Bureau IAB Australia officially launched in October 2005 with Australia's major online publishers - Fairfax Digital, Google, News Digital Media, ninemsn, MediaSmart, and Yahoo!7 - together with the Australian Interactive Media Industry Association (AIMIA) as its founding members. The IAB now has 40 member companies, drawn from a broad spectrum of online advertising and marketing organizations, technology and services companies. For further information about IAB Australia please visit: www.iabastralia.com.au For more editorial information please contact: Pru Quinlan - Einsteinz Communications T: (02) 8905 0995 E: pru@einsteinz.com.au