

## Online advertising market grows revenue to \$778 million 59.4% growth year on year

**Monday August 7, 2006 – Sydney, NSW** – The Australian online advertising market grew 59.4% in the 2005/2006 financial year to reach \$778 million according to the *June 2006 Online Advertising Expenditure Report* released today by the Audit Bureau of Verification Services (ABVS). The report highlighted that for the six months to June 30, 2006, the online advertising spend also grew 60.1% over the same period in 2005 to \$421 million and that online advertising spend grew 15.9% to \$226 million over the first quarter in 2006

The continued growth of advertiser confidence in online advertising continues to see increases of over 43% in all expenditure types over 2005. The finance industry continues to be the top spender in general advertising category with the recruitment industry maintaining its number one position for classifieds.

The \$778 million in expenditure is reported in three broad advertising categories – General Advertising<sup>1</sup> which accounted for 31.8% of total online ad expenditure, Classifieds Advertising<sup>2</sup> which accounted for 31.2% and Search and Directories Advertising<sup>3</sup> which accounted for 37%.

The financial year revenues for General Advertising grew 60.7% to \$247.5 million with revenues for Classifieds Advertising up by 43.8% to \$243 million and Search and Directories advertising by 74.2% to \$287.5 million.

The ABVS commends the online publishing industry for their co-operation in submitting their financial data to the scrutiny of an independent audit to deliver a final result verified to a level of 75-80%.

*The Online Advertising Expenditure Report* contains half yearly, quarterly and financial year analysis with historical comparisons back to the inception of the report in January 2002. The report also features additional data about general revenue spend within industry categories including quarterly trend analysis as well as reporting trends in classifieds revenue. Future reports will be released in early November 2006 and early February 2007.

Participation in the report has been drawn from the following internet publishers and portals: Ad 2-one, Ansearch Pty Ltd, carsales.com.au, CNET Networks Australia, Fairfax Digital, Max Interactive, News Interactive, ninemsn, Pacific Magazines, PostClick, realestate.com.au, 3D interactive, SEEK, Sensis, Seven, Tempest Media, Yahoo!7 and Yahoo! Search Marketing

To subscribe to *The Online Advertising Expenditure Report* please contact the ABC office on 02 9954 9800.  
**Ends.**

### **About the ABC and ABVS**

The Audit Bureau of Circulations (ABC), founded by a tripartite group of Publishers, Advertisers and Advertising Agency, is a non-profit industry organisation created to ensure independent verification of paid circulation. The Audit Bureau of Verification Services, a division of the ABC, was launched to audit media apart from print. Issued by The Audit Bureau of Circulations, Level 8, 15 Blue St, North Sydney, NSW, 2060. The ABVS has worked closely with the internet industry over the past 4 years, since the establishment of the Internet Industry Initiative to establish standard measurement definitions for website traffic for the Australian marketplace. The ABC is an experienced media auditor having performed circulation audits for the offline publishing industry for the previous 74 years. Published half yearly the ABC audit is the authority for circulation measurement.

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<sup>1</sup> **General Advertising** - expenditure from display ads such as banner advertisements of many different sizes and formats, sponsorships, partnerships, affiliate marketing programmes and emails.

<sup>2</sup> **Classifieds Advertising** - expenditure from ads placed to buy or sell an item or service

<sup>3</sup> **Search & Directories Advertising** - expenditure from online directory or search engine listings.