

Online advertising market grows to \$195 million in first quarter 2006 65.3% growth year on year

Monday May 1, 2006 – Sydney, NSW – The Australian online advertising market grew 65.3% over the same quarter in 2005 to reach \$195 million for the three-months ending March 31, 2006, according to the first quarterly release of the *Online Advertising Expenditure Report* launched today by the Audit Bureau of Verification Services (ABVS). The report also highlighted that online advertising spend grew 2.6% over the fourth quarter in 2005.

The result, the first positive growth for a first quarter since 2003, was characterised by strong growth of over 45% across all expenditure types against the same period in 2005 which confirms advertisers ongoing confidence in online advertising. The finance industry continues to be the top spender in the general advertising category with the recruitment industry maintaining its number one position for classifieds.

The \$195 million in expenditure is reported in three broad advertising categories – General Advertising¹ which accounted for 29.5% of total online ad expenditure, Classifieds Advertising² which accounted for 31.8% and Search and Directories Advertising³ which accounted for 38.7%.

The revenue for General Advertising grew 69.1% to \$57.5 million with revenues for Classifieds Advertising up by 47.6% to \$62 million and Search and Directories advertising by 79.8% to \$75.5 million.

460 sites participated with the delivery of data in this first-ever verified quarterly report to be released about online ad spend in Australia. 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 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 August and 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, Overture Services Australia Pty Limited, Pacific Magazines, PostClick, realestate.com.au, 3D interactive, SEEK, Sensis, Seven, Tempest Media, and Yahoo!7.

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

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

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