

PricewaterhouseCoopers

IAB Online Advertising Expenditure Report

Quarter ended December 2011



**An industry survey conducted
by PricewaterhouseCoopers on
behalf of the Interactive
Advertising Bureau Australia**

Report released
13 February 2012

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PricewaterhouseCoopers has received a fee for the preparation of this report and takes responsibility for the independence of the research and independence of the analysis contained in this report.

Please notify PricewaterhouseCoopers of any errors or omissions identified in this report.

Background

About the IAB Online Advertising Expenditure Report

Welcome to the IAB Online Advertising Expenditure Report (OAER or Report). This December 2011 Quarter report of online advertising expenditure in the Australian marketplace has been prepared by PricewaterhouseCoopers (PwC) on behalf of the Interactive Advertising Bureau Australia (IAB).

The OAER provides an opportunity for stakeholders interested in the size of the online advertising market to access independently collated data about the state of online advertising expenditure in Australia. The online advertising markets reported in the OAER comprise the expenditure on General Display advertising, Classifieds advertising and Search and Directories advertising.

Data and information reported directly to PwC by online advertisement selling companies representing over 1,000 web sites has been aggregated in this Report and is the only online industry sponsored and supported measurement of online advertising expenditure in Australia.

The survey is conducted, and this report is prepared independently by PwC on behalf of the IAB, and only aggregate results are published. PwC does not audit the information and provides no opinion or other form of assurance with respect to the information. Certain checks of submitted data are made – refer to Report Scope, Methodology and Format section of the Appendix for more information. Individual company information is held in strict confidence with PricewaterhouseCoopers. Further details regarding scope and methodology are provided in the Report Scope, Methodology and Format section of the appendix to this Report.

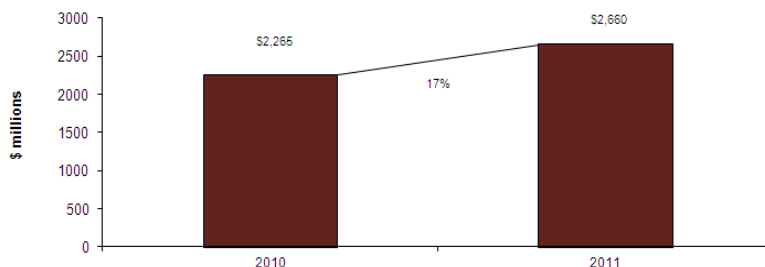
The list of contributors is disclosed in the Appendix.

Maria Martin
Partner
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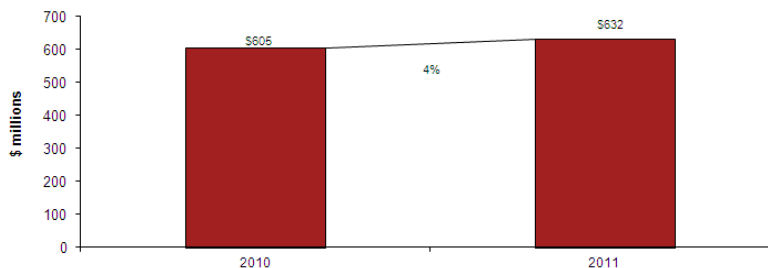
The Year at a Glance

There was growth in online advertising expenditure across all categories with the Search and Directories segments providing the strongest growth during the year ended 31 December 2011 compared with the year ended 31 December 2010.

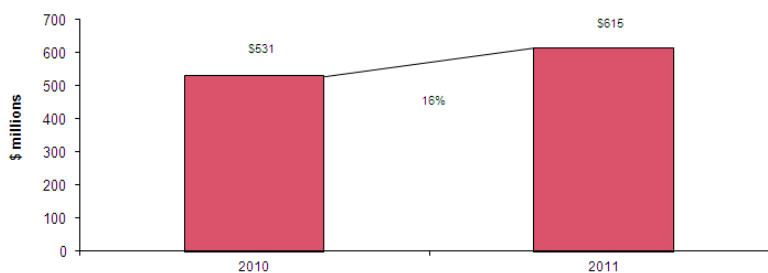
Expenditure of the Total Online Advertising Market



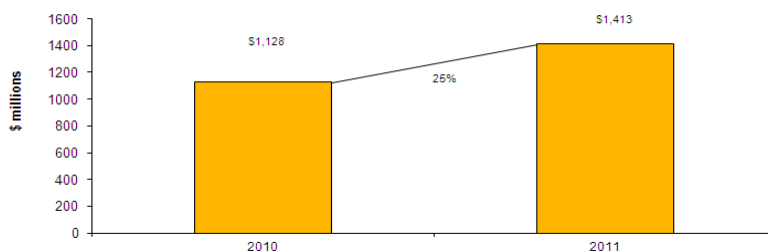
Expenditure of the General Display Market



Expenditure of the Classifieds Market



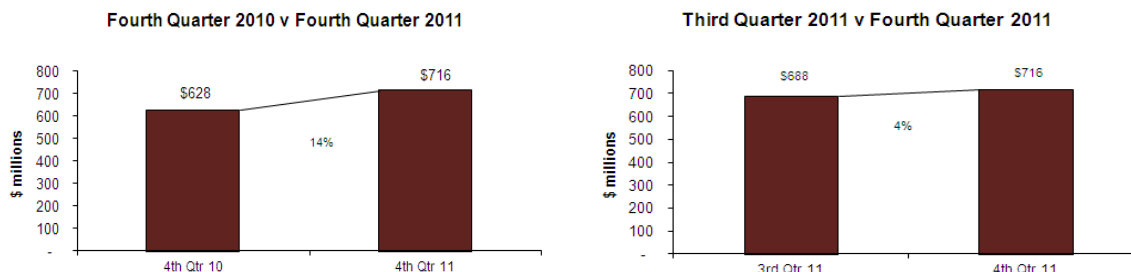
Expenditure of the Search and Directories Market



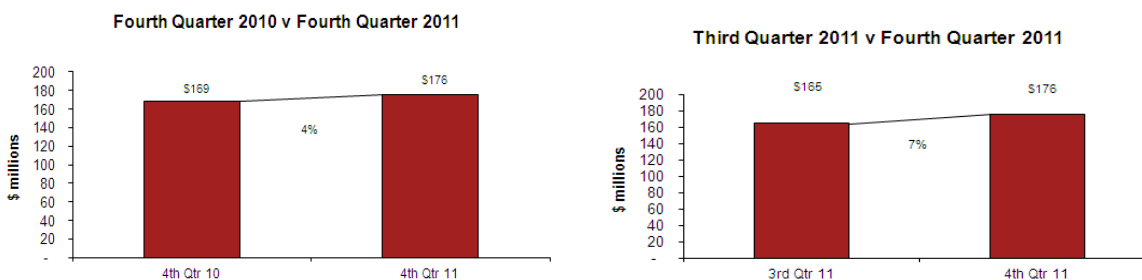
The Quarter at a Glance

Compared to the prior quarter, growth in online advertising expenditure was experienced in all categories, except Classified. There was growth in online advertising expenditure across all categories when compared to the prior year quarter.

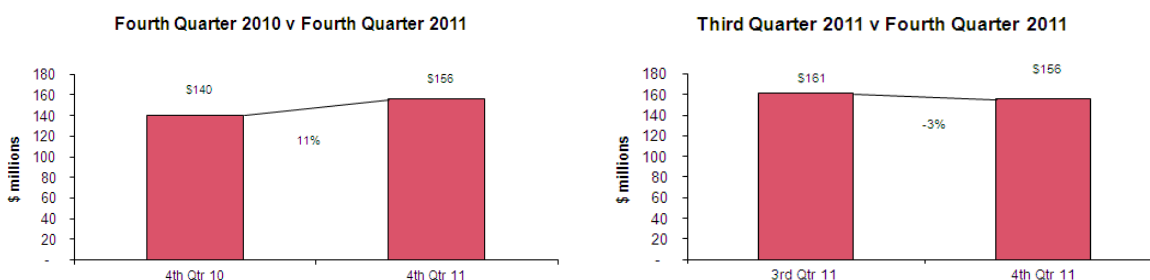
Expenditure of the Total Online Advertising Market



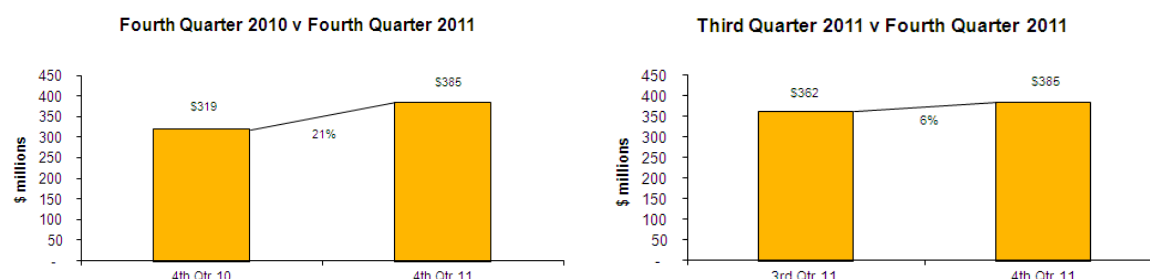
Expenditure of the General Display Market



Expenditure of the Classifieds Market



Expenditure of the Search and Directories Market



Executive Summary

3 months ended 31 December 2011

Total online advertising expenditure in Australia for the three months ended 31 December 2011 was \$716.25m, an increase of \$28.5m (or 4%) on third-quarter 2011, and an increase of \$88.5m (or 14%) on fourth-quarter 2010.

General Display advertising accounted for 24.6%, Classifieds advertising accounted for 21.7% and Search and Directories advertising accounted for the remaining 53.7% for the three months ended 31 December 2011.

Both General Display and Search and Directories advertising achieved growth compared to the prior quarter, and Classified decreased slightly from the prior quarter. All categories achieved growth compared to the prior year quarter. General Display experienced the strongest growth, compared with third-quarter 2011, at 7%.

Within General Display, for the fourth-quarter 2011, based on submissions received, email based advertising saw a small decrease to \$9.6m from \$10.5m in third quarter 2011. Video based advertising also decreased from \$12.0m in third quarter 2011 to \$11.0m.

Within General Display, for the fourth-quarter 2011, CPM based pricing continued to be the dominant pricing method with 77% of advertising expenditure on a CPM basis, and 23% on a Direct Response basis.

The Finance, Computers & Communications and Motor Vehicles sectors continue to be the dominant industries using General Display advertising. These industries represented 40.0% of the advertising market in the fourth-quarter 2011 (40.7% in third-quarter 2011 and 44.4% in fourth-quarter 2010). Motor Vehicles – Manufacturers was the largest subcategory which comprised 14.5% of the General Display spending for the quarter (up from 12.6% in the third-quarter 2011).

Real Estate was the leading Category for Classifieds advertising expenditure in the fourth-quarter 2011 followed by Recruitment then Automotive. This is the same order as the prior quarter.

During the quarter Search grew at a faster rate than Directories.

With the exception of Search & Directories, the December 2011 OAER does not include any estimates for non-contributors. The Search & Directories category includes an estimate of advertising expenditure received by Google, the largest company in the Search market.

Due to estimates not being included for non-survey contributors for the General Display and Classified categories, these markets can be considered to be larger than as reported in the OAER. As estimates were included in figures reported for periods prior to, and including, June 2006, growth rates in this Report for March 2007 and subsequent quarters (when compared to the figures reported for any period prior to the March 2007 quarters) can be considered to be understated. This applies to the quarterly, 6 monthly and annual analyses.

6 months ended 31 December 2011

Online advertising expenditure in Australia for the 6 months ended 31 December 2011 was \$1,404.0m, an increase of \$147.75m (or 12%) on the 6 months ended 30 June 2011, and an increase of \$204.5m (or 17%) on the 6 months ended 31 December 2010.

During the current six months ended 31 December 2011, online advertising expenditure grew in General Display (17%), Search and Directories (12%) and Classifieds (6%).

Real Estate was the leading Category for Classifieds advertising expenditure in the 6 months ended 31 December 2011 followed by Recruitment then Automotive. This is the same order as the prior 6 month period.

During the 6 months Search grew at a faster rate than Directories.

12 months ended 31 December 2011

Online advertising expenditure in Australia for the 12 months ended 31 December 2011 was \$2,660.25m, an increase of \$395.75m (or 17%) on the 12 months ended 31 December 2010. The increase has been due to growth experienced in all categories, with a 25% increase in Search and Directories advertising, a 16% increase in Classifieds advertising and a 4% increase in General Display advertising from the prior year ended 31 December 2010.

General Display advertising accounted for 23.8%, Classifieds advertising accounted for 23.1% and Search & Directories advertising accounted for 53.1% based on expenditure for the past 12 months.

Within General Display, based on submissions received, email based advertising comprised \$37.7m of advertising expenditure, an increase of 17%, and video based advertising comprised \$43.7m of advertising expenditure, an increase of 31%.

Within General Display, CPM based pricing was the dominant expenditure type with 78% of advertising expenditure on a CPM basis, and 22% was on a Direct Response basis.

The highest spending Advertiser Industry category in General Display advertising was Motor Vehicles which was followed by Finance and Computers and Communications. Together these accounted for 39.3% of the total General Advertising expenditure. Motor Vehicles – Manufacturers was the largest subcategory which comprised 13.0% of the General Display spending for the year.

Real Estate was the leading Category for Classifieds advertising expenditure in the 12 months ended 31 December 2011 followed by Recruitment then Automotive. This is the same as the prior year.

During the year Search grew at a faster rate than Directories.

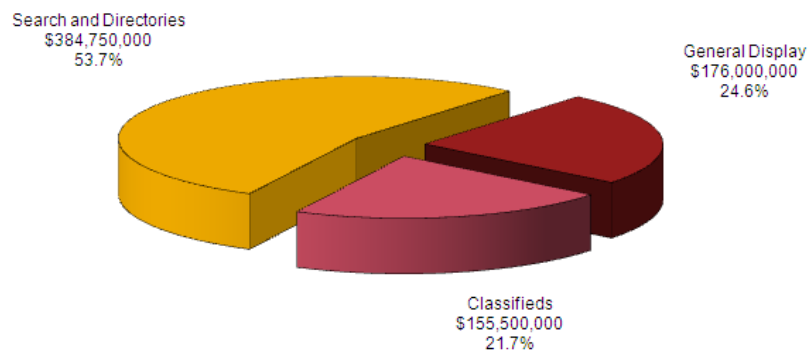
Detailed findings

Overall Market

3 months ended 31 December 2011

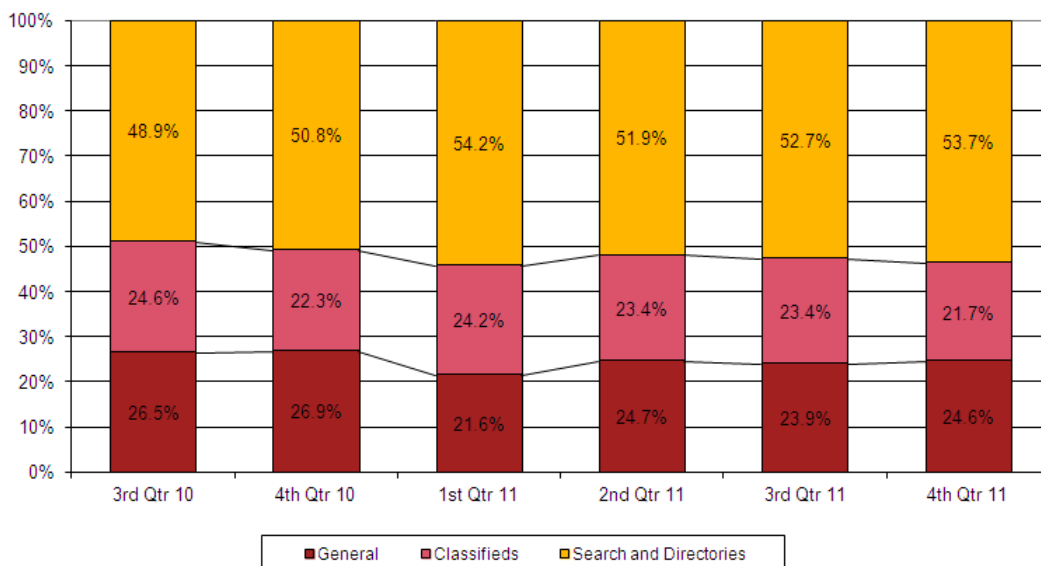
Total online advertising expenditure in Australia for the three months ended 31 December 2011 was \$716.25m, an increase of \$28.5m (or 4%) on third-quarter 2011, and an increase of \$88.5m (or 14%) on fourth-quarter 2010.

Online Advertising Expenditure – 3 months ended 31 December 2011 Category Share



General Display advertising accounted for 24.6%, Classifieds advertising accounted for 21.7% and Search and Directories advertising accounted for the majority at 53.7% for the three months ended 31 December 2011. Search and Directories remains the dominant category for the quarter.

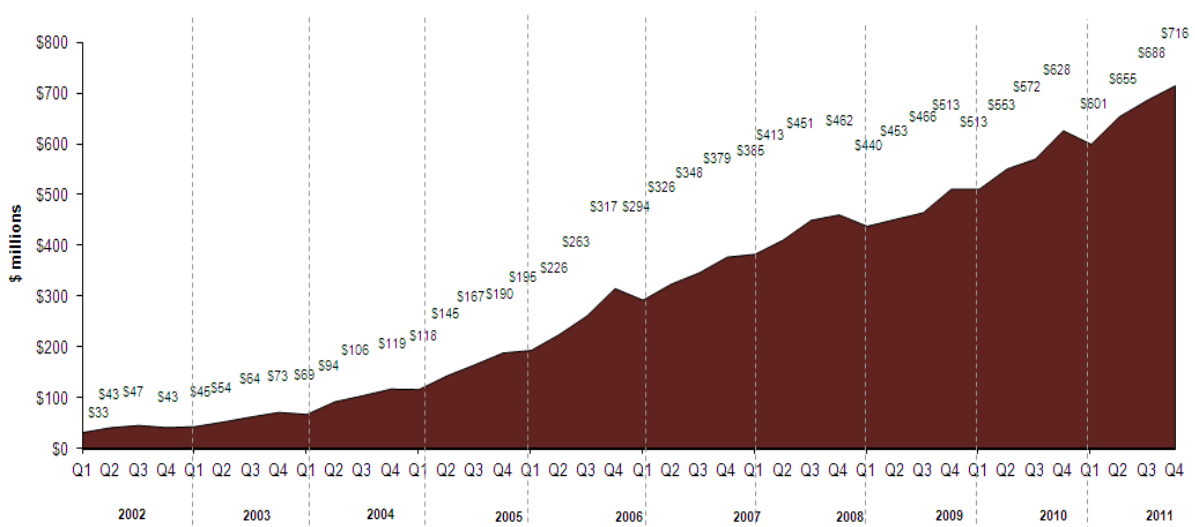
Online Advertising Expenditure – Category Share by Period



Overall Market – Quarterly Revenues

Since the commencement of record keeping of online advertising expenditure, expenditures have increased 33 of the past 39 consecutive quarters.

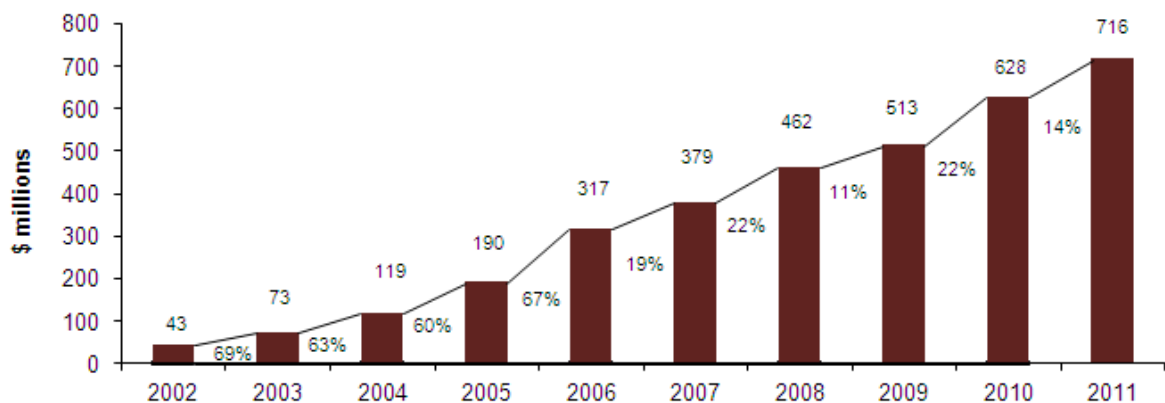
Total Quarterly \$ Expenditure Growth Comparisons 2002-2011 YTD



Overall Market – Historical Fourth-Quarter Expenditure Trends

Fourth-quarter expenditure has increased year-on-year. The increase is the ninth consecutive year-on-year increase since the commencement of data collection in 2002.

Fourth Quarter Total Market \$ Expenditure – 2002 through 2011



Note: For 2007, growth from prior year may be impacted by changes in measurement methodology from March 2007 quarter, which would result in the reported growth being understated. Refer to Appendix for more information.

Total online advertising expenditure in Australia for the fourth-quarter increased 14% over the same fourth-quarter period last year. The strong year-on-year growth experienced in the past appears to be continuing.

Overall Market

6 months ended 31 December 2011

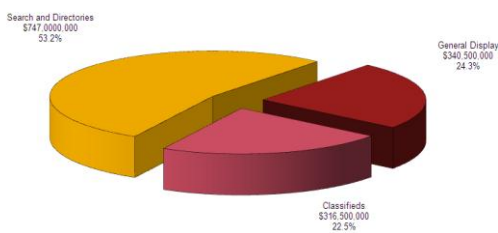
Online advertising expenditure in Australia for the 6 months ended 31 December 2011 was \$1,404.0m, an increase of \$147.75m (or 12%) on the 6 months ended 30 June 2011, and an increase of \$204.5m (or 17%) on the 6 months ended 31 December 2010.

Online Advertising Expenditure – Total Spend by Category by Period

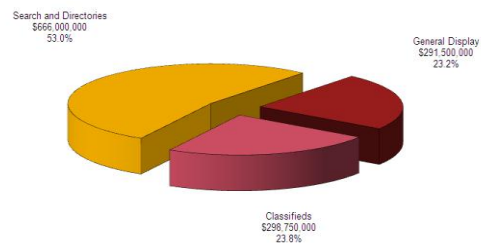
Period	General Display	Classifieds	Search and Directories	Total	% Growth Period/Period	Year/Year
Jul 11- Dec 11	\$340,500,000	\$316,500,000	\$747,000,000	\$1,404,000,000	12%	17%
Jan 11-Jun 11	\$291,500,000	\$298,750,000	\$666,000,000	\$1,256,250,000	5%	19%
Jul 10- Dec 10	\$320,500,000	\$280,750,000	\$598,250,000	\$1,199,500,000	13%	23%
Jan 10-Jun 10	\$284,750,000	\$250,250,000	\$530,000,000	\$1,065,000,000	9%	19%
Jul 09-Dec 09	\$262,500,000	\$219,500,000	\$496,750,000	\$978,750,000	10%	7%
Jan 09-Jun 09	\$235,500,000	\$209,500,000	\$447,500,000	\$892,500,000	-2%	12%
Jul 08-Dec 08	\$255,500,000	\$221,750,000	\$436,000,000	\$913,250,000	15%	26%
Jan 08-Jun 08	\$209,000,000	\$217,500,000	\$370,500,000	\$797,000,000	10%	29%
Jul 07-Dec 07	\$201,500,000	\$189,500,000	\$335,500,000	\$726,500,000	17%	25%
Jan 07-Jun 07	\$165,500,000	\$167,250,000	\$286,750,000	\$619,500,000	7%	47%
Jul 06-Dec 06	\$169,500,000	\$170,000,000	\$240,500,000	\$580,000,000	38%	62%
Jan 06-Jun 06	\$133,500,000	\$129,000,000	\$158,500,000	\$421,000,000	18%	60%
Jul 05-Dec 05	\$114,000,000	\$114,000,000	\$129,000,000	\$357,000,000	36%	59%
Jan 05-Jun 05	\$80,000,000	\$92,000,000	\$91,000,000	\$263,000,000	17%	61%
Jul 04-Dec 04	\$74,000,000	\$77,000,000	\$74,000,000	\$225,000,000	38%	64%
Jan 04-Jun 04	\$54,500,000	\$55,000,000	\$53,500,000	\$163,000,000	19%	65%
Jul 03-Dec 03	\$50,201,279	\$47,666,119	\$39,132,602	\$137,000,000	38%	51%
Jan 03-Jun 03	\$30,524,060	\$38,578,175	\$29,897,765	\$99,000,000		

Note: For 2007, growth from prior year may be impacted by changes in measurement methodology from March 2007 quarter, which would result in reported growth being understated. Refer to Appendix for more information.

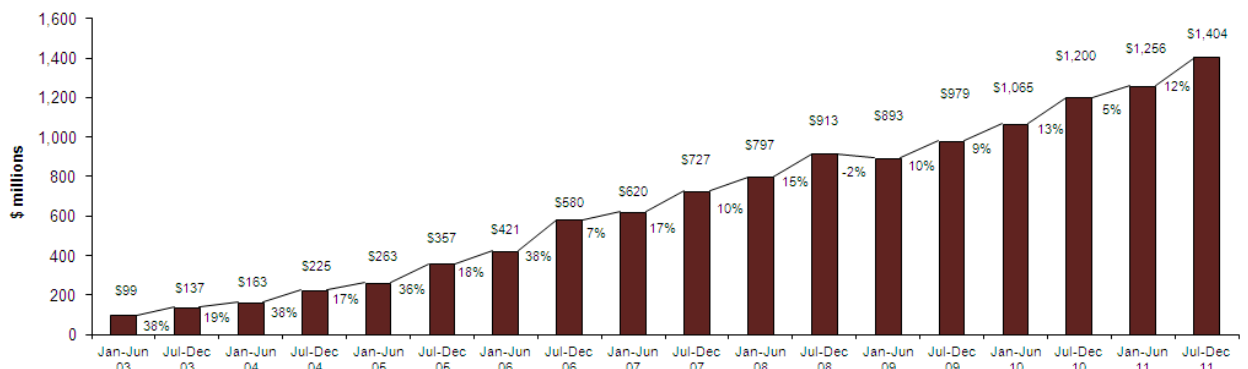
Online Advertising Expenditure 6 months ended 31 December 2011 Category Share



Online Advertising Expenditure 6 months ended 30 June 2011 Category Share



Total Market \$ Expenditure by Half Year to 31 December 2011



Overall Market

12 months ended 31 December 2011

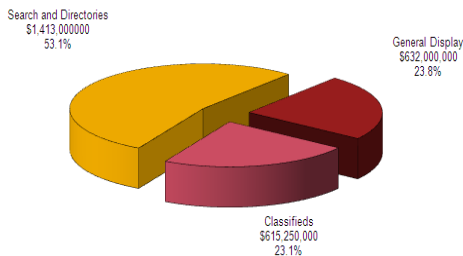
Online advertising expenditure in Australia for the 12 months ended 31 December 2011 was \$2,660.25m, an increase of \$395.75m (or 17%) on the 12 months ended 31 December 2010. The increase has been due to growth experienced in all categories, with a 25% increase in Search and Directories advertising, 4% increase in General Display and Classifieds increasing by 16% from the prior year.

Online Advertising Expenditure – Total Spend by Category by Period

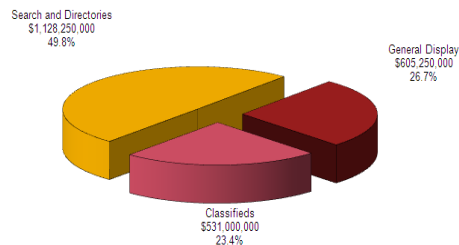
12 months ended	General Display	Classifieds	Search and Directories	Total	% Growth Year/Year
Dec 2011	\$632,000,000	\$615,250,000	\$1,413,000,000	\$2,660,250,000	17%
Dec 2010	\$605,250,000	\$531,000,000	\$1,128,250,000	\$2,264,500,000	21%
Dec 2009	\$498,000,000	\$429,000,000	\$944,250,000	\$1,871,250,000	9%
Dec 2008	\$464,500,000	\$439,250,000	\$806,500,000	\$1,710,250,000	27%
Dec 2007	\$367,000,000	\$356,750,000	\$622,250,000	\$1,346,000,000	34%
Dec 2006	\$303,000,000	\$299,000,000	\$399,000,000	\$1,001,000,000	61%
Dec 2005	\$194,000,000	\$206,000,000	\$220,000,000	\$620,000,000	60%
Dec 2004	\$128,500,000	\$132,000,000	\$127,500,000	\$388,000,000	64%
Dec 2003	\$80,725,339	\$86,244,294	\$69,030,367	\$236,000,000	41%

Note: For 2007, growth from prior year may be impacted by changes in measurement methodology from March 2007 quarter, which would result in reported growth being understated. Refer to Appendix for more information.

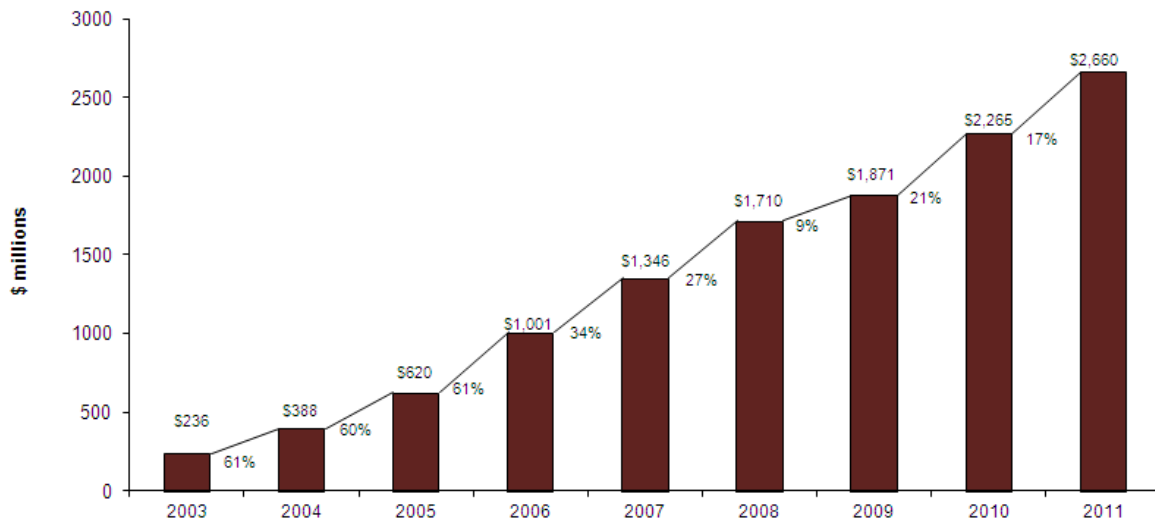
Online Advertising Expenditure 12 months ended 31 December 2011 Category Share



Online Advertising Expenditure 12 months ended 31 December 2010 Category Share



Total Market \$ Expenditure by 12 months to 31 December 2011



Overall Market – Historical Expenditure Statistics

Quarterly Data

<i>Period</i>	<i>General Display</i>	<i>Classifieds</i>	<i>Search and Directories</i>	<i>Total</i>	<i>% Growth</i>	
					<i>Qtr/Qtr</i>	<i>Year/Year</i>
4th Qtr 11	\$176,000,000	\$155,500,000	\$384,750,000	\$716,250,000	4%	14%
3rd Qtr 11	\$164,500,000	\$161,000,000	\$362,250,000	\$687,750,000	5%	20%
2nd Qtr 11	\$161,750,000	\$153,500,000	\$340,000,000	\$655,250,000	9%	19%
1st Qtr 11	\$129,750,000	\$145,250,000	\$326,000,000	\$601,000,000	-4%	17%
4th Qtr 10	\$168,750,000	\$140,250,000	\$318,750,000	\$627,750,000	10%	22%
3rd Qtr 10	\$151,750,000	\$140,500,000	\$279,500,000	\$571,750,000	3%	23%
2nd Qtr 10	\$158,750,000	\$128,500,000	\$265,250,000	\$552,500,000	8%	22%
1st Qtr 10	\$126,000,000	\$121,750,000	\$264,750,000	\$512,500,000	0%	17%
4th Qtr 09	\$141,750,000	\$111,250,000	\$259,500,000	\$512,500,000	10%	11%
3rd Qtr 09	\$120,750,000	\$108,250,000	\$237,250,000	\$466,250,000	3%	3%
2nd Qtr 09	\$126,000,000	\$104,500,000	\$222,500,000	\$453,000,000	3%	10%
1st Qtr 09	\$109,500,000	\$105,000,000	\$225,000,000	\$439,500,000	-5%	14%
4th Qtr 08	\$130,000,000	\$108,000,000	\$224,000,000	\$462,000,000	2%	22%
3rd Qtr 08	\$125,500,000	\$113,750,000	\$212,000,000	\$451,250,000	9%	30%
2nd Qtr 08	\$114,500,000	\$111,000,000	\$187,000,000	\$412,500,000	7%	27%
1st Qtr 08	\$94,500,000	\$106,500,000	\$183,500,000	\$384,500,000	2%	31%
4th Qtr 07	\$104,500,000	\$98,250,000	\$176,000,000	\$378,750,000	9%	19%
3rd Qtr 07	\$97,000,000	\$91,250,000	\$159,500,000	\$347,750,000	7%	32%
2nd Qtr 07	\$90,500,000	\$87,750,000	\$147,250,000	\$325,500,000	11%	44%
1st Qtr 07	\$75,000,000	\$79,500,000	\$139,500,000	\$294,000,000	-7%	51%
4th Qtr 06	\$91,500,000	\$89,000,000	\$136,500,000	\$317,000,000	21%	67%
3rd Qtr 06	\$78,000,000	\$81,000,000	\$104,000,000	\$263,000,000	16%	57%
2nd Qtr 06	\$76,000,000	\$67,000,000	\$83,000,000	\$226,000,000	16%	56%
1st Qtr 06	\$57,500,000	\$62,000,000	\$75,500,000	\$195,000,000	3%	65%
4th Qtr 05	\$62,000,000	\$60,000,000	\$68,000,000	\$190,000,000	14%	60%
3rd Qtr 05	\$52,000,000	\$54,000,000	\$61,000,000	\$167,000,000	15%	58%
2nd Qtr 05	\$46,000,000	\$50,000,000	\$49,000,000	\$145,000,000	23%	54%
1st Qtr 05	\$34,000,000	\$42,000,000	\$42,000,000	\$118,000,000	-1%	71%
4th Qtr 04	\$40,000,000	\$39,000,000	\$40,000,000	\$119,000,000	12%	63%
3rd Qtr 04	\$34,000,000	\$38,000,000	\$34,000,000	\$106,000,000	13%	66%
2nd Qtr 04	\$32,000,000	\$30,000,000	\$32,000,000	\$94,000,000	36%	74%
1st Qtr 04	\$22,500,000	\$25,000,000	\$21,500,000	\$69,000,000	-5%	53%
4th Qtr 03	\$27,479,934	\$24,714,607	\$20,805,459	\$73,000,000	14%	69%
3rd Qtr 03	\$22,721,345	\$22,951,512	\$18,327,143	\$64,000,000	19%	35%
2nd Qtr 03	\$17,391,290	\$20,556,558	\$16,052,152	\$54,000,000	20%	26%
1st Qtr 03	\$13,132,770	\$18,021,617	\$13,845,613	\$45,000,000	4%	34%
4th Qtr 02	\$15,168,016	\$15,640,828	\$12,335,206	\$43,144,050	-9%	
3rd Qtr 02	\$15,807,914	\$16,356,473	\$15,279,724	\$47,444,111	10%	
2nd Qtr 02	\$17,508,741	\$14,685,366	\$10,756,419	\$42,950,526	28%	
1st Qtr 02	\$13,515,329	\$13,317,334	\$6,628,651	\$33,461,314		

Note - Figures reported since first-quarter 2007 were prepared by PricewaterhouseCoopers. Figures prior to first-quarter 2007 are based on the OAER – October to December 2006, as prepared by ABVS. Refer to the Report Scope, Methodology and Format section of the appendix for more information.

General Display Advertising Expenditure

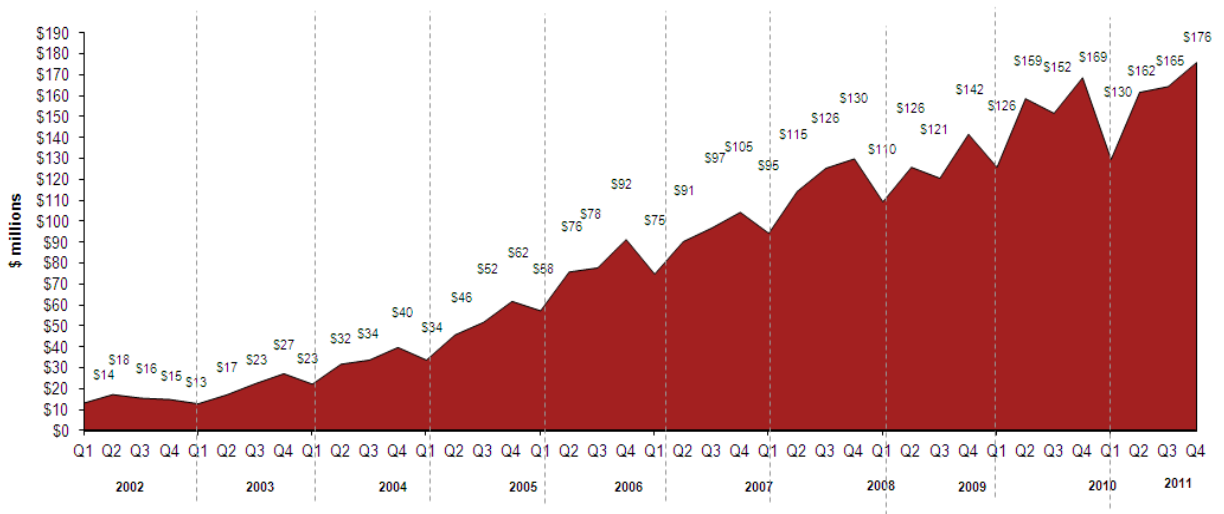
3 months ended 31 December 2011

The total online advertising expenditure for General Advertising for the three months ended 31 December 2011 was \$176.0m. This expenditure was an increase of \$11.5m (or 7%) on the third-quarter of 2011 and an increase of \$7.25m (or 4%) on the fourth-quarter of 2010.

Quarterly Revenues

Since the commencement of record keeping of online advertising expenditure, expenditures have increased 26 of the past 39 consecutive quarters. The December quarter has experienced an increase on the September 2011 quarter.

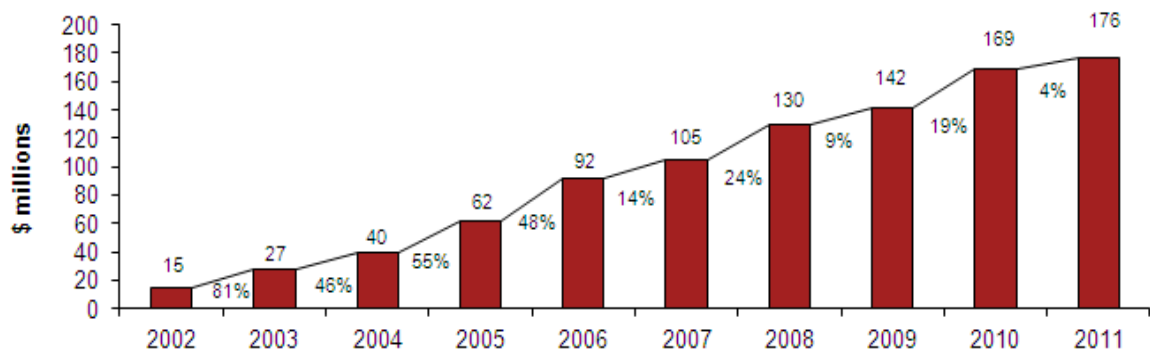
Total Quarterly \$ Expenditure Growth Comparisons 2002-2011 YTD (in \$millions)



Historical Fourth-Quarter Expenditure Trends

Fourth quarter expenditure has increased year-on-year. General Advertising expenditure in Australia in the fourth quarter of 2011 was up 4% on the same period last year. The increase is the ninth yearly increase since the commencement of data collection in 2002.

Fourth Quarter Total Market \$ Expenditure – 2002 through 2011



Note: For 2007, growth from prior year may be impacted by changes in measurement methodology from March 2007 quarter, which would result in reported growth being understated. Refer to Appendix for more information.

General Display – Email and Video Advertising Expenditures

The email and video advertising expenditures reported below are included in the total General Display expenditure reported for the relevant periods.

The definitions of the email and video categories are included in the Glossary.

Based on submissions from publishers the expenditures (to the nearest \$100,000) for the quarter are as follows:

	3rd Qtr 2010	4th Qtr 2010	1st Qtr 2011	2nd Qtr 2011	3rd Qtr 2011	4th Qtr 2011
Email	\$7.6m	\$8.0m	\$8.4m	\$9.0m	\$10.5m	\$9.6m
Video	\$8.4m	\$9.7m	\$8.5m	\$12.2m	\$12.0m	\$11.0m

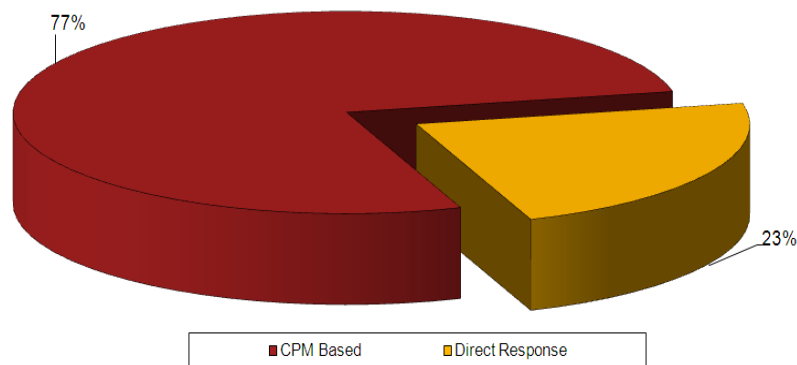
(Note: Email and Video advertising expenditure information was aggregated for all publishers with the exception of Sensis. No estimate has been included for Sensis.)

General Display – Pricing Methodology

The pricing methods are CPM based and Direct Response based.

Definitions of CPM based and Direct Response based are included in the Glossary.

Based on submissions from publishers the pricing methods used in General Display advertising expenditures for the quarter are as follows:



(Note: Pricing methodology information was collected from all publishers with the exception of Sensis. No estimate has been included for Sensis.)

The prior quarter showed 77% for CPM based and 23% for Direct Response based.

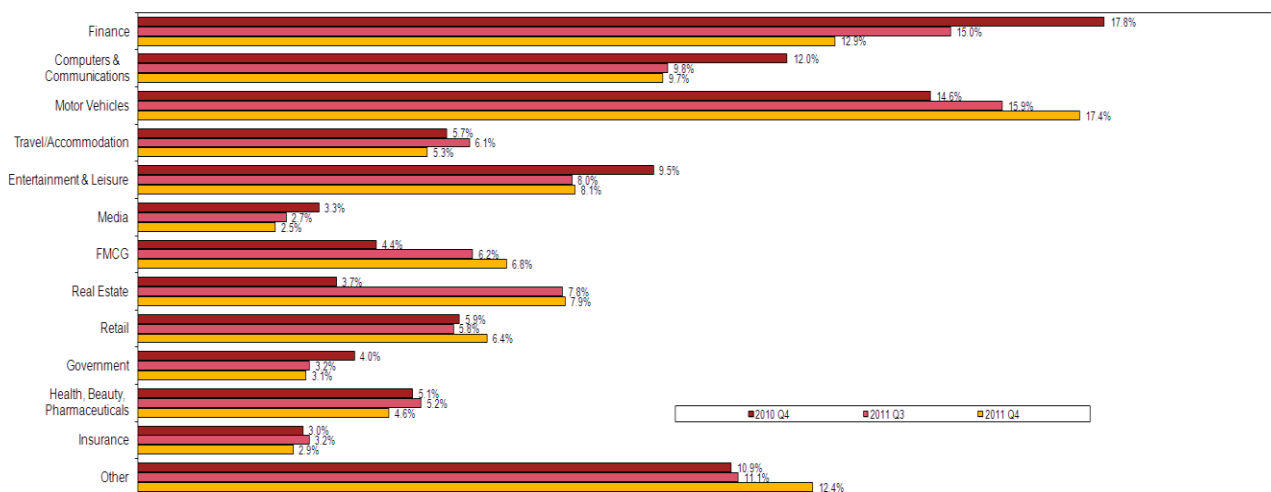
The CPM based pricing method is the most predominantly used pricing basis in the General Display advertising category.

General Display Advertising Expenditure – Advertiser Industry Category

Finance, Motor Vehicles and Computers & Communications were the dominant industries using General Display advertising. These industries represented 40.0% of the advertising market in the fourth-quarter 2011 (40.7% in third-quarter 2011 and 44.4% in fourth-quarter 2010).

- Motor Vehicles was the highest spending Advertiser Industry Category in the fourth-quarter 2011 with 17.4%, an increase in its share from 15.9% in third-quarter 2011.
- Finance (which incorporates Business Banking, Credit Cards, Home Loans, Superannuation, Personal Banking, Wealth Management and Other Finance) was second with a 12.9% share, a decrease from 15.0% in the third-quarter 2011.
- Computers & Communications recorded a 9.7% share, consistent with third-quarter 2011 at 9.8%.
- Entertainment & Leisure recorded a 8.0% share, consistent with the third-quarter 2011.
- Retail recorded a 6.4% share, an increase from 5.8% in third-quarter 2011.
- Real Estate recorded a 7.9% share, consistent with third quarter 2011 at 7.8%.

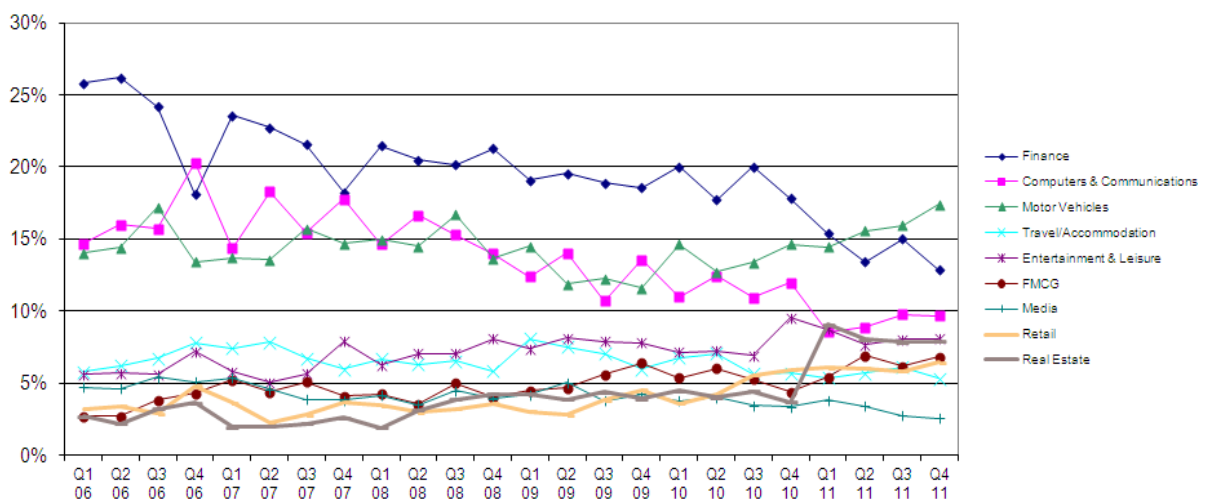
**Advertising Expenditure by Industry Category
Fourth Quarter 2011 vs. Third Quarter 2011 vs. Fourth Quarter 2010**



*Other for graphical purposes includes Alcoholic Beverages, Community/Public Service, Education & Learning, Home Products & Services, Office & Business Equipment, Recruitment and Other in the Advertiser Industry Category table.

The chart below illustrates the advertising expenditure shares for the General Display market of the top nine advertising industries by quarter from first quarter 2006 to the present quarter.

Top 9 Advertiser Industry Category Share by Quarter – 2006-2011 YTD



General Advertising Expenditure – Advertiser Industry Category

The table below shows the percentage market share for all advertising industry categories in General Display advertising since first quarter 2008.

<i>Advertiser Industry Category</i>	<i>Q4 11</i>	<i>Q3 11</i>	<i>Q2 11</i>	<i>Q1 11</i>	<i>Q4 10</i>	<i>Q3 10</i>	<i>Q2 10</i>	<i>Q1 10</i>	<i>Q4 09</i>	<i>Q3 09</i>	<i>Q2 09</i>	<i>Q1 09</i>	<i>Q4 08</i>	<i>Q3 08</i>	<i>Q2 08</i>	<i>Q1 08</i>
Finance	12.85%	14.99%	13.43%	15.39%	17.83%	20.04%	17.74%	20.00%	18.55%	18.90%	19.57%	19.07%	21.28%	20.18%	20.46%	21.48%
Computers & Communications	9.68%	9.77%	8.88%	8.55%	11.98%	10.92%	12.45%	11.00%	13.56%	10.72%	14.01%	12.38%	13.98%	15.30%	16.65%	14.63%
Motor Vehicles	17.38%	15.94%	15.59%	14.43%	14.62%	13.38%	12.71%	14.64%	11.59%	12.25%	11.87%	14.50%	13.64%	16.71%	14.47%	14.96%
Travel/ Accommodation	5.34%	6.11%	7.71%	5.36%	5.70%	5.64%	7.05%	6.76%	5.97%	7.05%	7.54%	8.06%	5.84%	6.52%	6.28%	6.67%
Entertainment & Leisure	8.06%	8.01%	7.66%	8.74%	9.51%	6.92%	7.23%	7.13%	7.81%	7.89%	8.11%	7.35%	8.10%	7.04%	7.06%	6.23%
Media	2.53%	2.73%	3.37%	3.81%	3.34%	3.43%	4.02%	3.77%	4.22%	3.77%	5.03%	4.19%	3.91%	4.48%	3.48%	4.13%
FMCG	6.79%	6.18%	6.90%	5.43%	4.40%	5.27%	6.03%	5.35%	6.40%	5.59%	4.66%	4.47%	4.00%	4.98%	3.53%	4.26%
Real Estate	7.88%	7.83%	8.02%	9.07%	3.66%	4.43%	3.98%	4.48%	3.90%	4.36%	3.84%	4.23%	3.84%	3.13%	1.90%	2.58%
Retail	6.44%	5.82%	6.00%	6.08%	5.93%	5.55%	4.25%	3.57%	4.53%	3.82%	2.79%	3.01%	3.58%	3.23%	2.98%	3.43%
Insurance	2.86%	3.15%	4.32%	4.01%	3.04%	3.41%	4.23%	3.98%	3.00%	2.86%	3.53%	3.43%	2.51%	2.29%	4.75%	4.50%
Health, Beauty, Pharmaceuticals	4.63%	5.22%	4.52%	4.21%	5.07%	6.41%	5.31%	3.69%	4.53%	5.70%	4.08%	4.11%	4.23%	3.43%	4.00%	4.65%
Government	3.10%	3.16%	5.93%	4.35%	3.99%	4.86%	4.82%	5.31%	3.37%	4.09%	4.51%	4.39%	3.38%	2.87%	3.16%	2.13%
Other	5.62%	4.43%	4.71%	5.79%	4.98%	4.39%	4.86%	4.61%	5.91%	5.55%	4.48%	4.69%	4.45%	3.21%	3.67%	5.03%
Recruitment	0.83%	1.02%	1.03%	1.25%	1.00%	1.04%	1.19%	1.33%	1.26%	1.57%	1.38%	1.52%	1.33%	1.21%	3.32%	1.58%
Alcoholic Beverages	1.42%	0.92%	0.56%	0.86%	1.27%	0.85%	0.62%	1.11%	1.50%	2.03%	1.23%	1.68%	1.89%	1.11%	0.82%	1.21%
Education & Learning	1.74%	1.97%	1.13%	1.33%	1.61%	1.54%	1.57%	1.77%	1.87%	1.76%	1.64%	1.39%	1.85%	2.09%	1.25%	1.03%
Home Products & Services	1.44%	1.45%	0.95%	0.46%	0.76%	0.89%	0.67%	0.53%	0.78%	0.92%	0.59%	0.45%	0.94%	0.93%	0.63%	0.43%
Community/Public Service	1.14%	0.98%	0.94%	0.54%	1.00%	0.78%	0.92%	0.72%	1.03%	0.88%	1.01%	0.88%	1.04%	0.71%	1.07%	0.67%
Office & Business Equipment	0.27%	0.32%	0.36%	0.34%	0.34%	0.28%	0.35%	0.25%	0.21%	0.29%	0.13%	0.21%	0.20%	0.58%	0.53%	0.43%

General Display Advertising Expenditure – Advertiser Industry Subcategories

The table below shows the percentage market share of Advertiser Industry Subcategories on a quarterly basis.

Advertiser Industry Category	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4	2010 Q3
	%	%	%	%	%	%
Finance	12.85%	14.99%	13.43%	15.39%	17.83%	20.04%
<i>Made up of:</i>						
- Business Banking	0.34%	0.67%	0.59%	0.61%	0.29%	0.44%
- Credit Cards	2.55%	2.91%	2.23%	3.36%	5.15%	4.94%
- Home Loans	2.00%	2.11%	2.10%	2.00%	4.66%	4.67%
- Superannuation	0.58%	1.21%	0.64%	0.43%	0.30%	0.39%
- Personal Banking	2.75%	2.35%	2.08%	3.64%	3.07%	4.64%
- Wealth Management	0.66%	1.13%	0.89%	0.93%	0.87%	1.31%
- Other	3.97%	4.61%	4.90%	4.40%	3.49%	3.63%
Computers & Communication	9.68%	9.77%	8.87%	8.55%	11.98%	10.92%
<i>Made up of:</i>						
- Computer Hardware	3.31%	3.22%	2.53%	2.14%	3.70%	3.07%
- Computer Software	1.61%	0.76%	1.25%	1.39%	1.60%	1.55%
- Telecommunications	4.18%	4.74%	4.43%	4.10%	5.80%	5.40%
- Internet/ISP	0.58%	1.05%	0.66%	0.93%	0.88%	0.90%
Motor Vehicles	17.38%	15.94%	15.59%	14.43%	14.62%	13.38%
<i>Made up of:</i>						
- Internet Sites	0.75%	0.87%	0.85%	1.08%	0.98%	0.68%
- Manufacturers	14.54%	12.62%	12.88%	11.53%	11.29%	10.52%
- Dealers	0.11%	0.08%	0.05%	0.13%	0.16%	0.18%
- Other	1.98%	2.37%	1.81%	1.70%	2.19%	2.00%
Travel/Accommodation	5.34%	6.11%	5.71%	5.36%	5.70%	5.64%
<i>Made up of:</i>						
- Flights	2.26%	2.75%	1.98%	1.67%	2.23%	2.26%
- Accommodation	0.71%	0.80%	0.86%	1.01%	1.29%	1.47%
- Car Hire	0.08%	0.07%	0.07%	0.11%	0.12%	0.07%
- Holiday Packages/Agents	0.77%	0.88%	0.98%	0.81%	0.49%	0.50%
- Other	1.52%	1.61%	1.82%	1.76%	1.57%	1.34%
Entertainment & Leisure	8.06%	8.01%	7.66%	8.74%	9.51%	6.92%
<i>Made up of:</i>						
- Music	0.47%	0.42%	0.28%	0.28%	0.36%	0.25%
- Movies	2.45%	2.32%	2.28%	2.71%	3.52%	2.36%
- Games/Consoles	1.00%	0.75%	0.90%	1.18%	1.16%	0.62%
- Other	4.14%	4.52%	4.20%	4.57%	4.47%	3.69%
Media	2.53%	2.73%	3.37%	3.81%	3.34%	3.43%
FMCG	6.79%	6.18%	6.90%	5.43%	4.40%	5.27%
<i>Made up of:</i>						
- Food	3.52%	2.79%	3.59%	2.93%	2.31%	3.17%
- Beverages (non-alcoholic)	1.29%	0.72%	0.93%	0.67%	0.81%	0.89%
- Other	1.98%	2.67%	2.38%	1.83%	1.28%	1.20%
Real Estate	7.88%	7.83%	8.02%	9.07%	3.66%	4.43%
Retail	6.44%	5.82%	6.00%	6.08%	5.93%	5.55%
Insurance	2.86%	3.15%	4.32%	4.01%	3.04%	3.41%
Health, Beauty, Pharmaceuticals	4.63%	5.22%	4.52%	4.21%	5.07%	6.41%
Government	3.10%	3.16%	5.93%	4.35%	3.99%	4.86%
Other	5.62%	4.43%	4.71%	5.79%	4.98%	4.39%
Recruitment	0.83%	1.02%	1.03%	1.25%	1.00%	1.04%
Alcoholic Beverages	1.42%	0.92%	0.56%	0.86%	1.27%	0.85%
Education & Learning	1.74%	1.97%	1.13%	1.33%	1.61%	1.54%
Home Products & Services	1.44%	1.45%	0.95%	0.46%	0.76%	0.89%
Community/Public Service	1.14%	0.98%	0.94%	0.54%	1.00%	0.78%
Office & Business Equipment	0.27%	0.32%	0.36%	0.34%	0.34%	0.28%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

General Display Advertising Expenditure

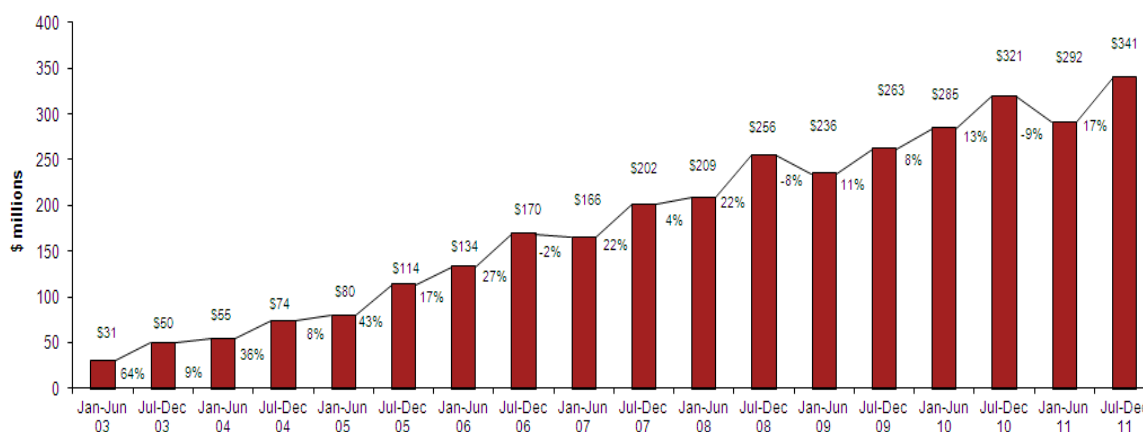
6 months ended 31 December 2011

Online advertising expenditure in Australia for the 6 months ended 31 December 2011 was \$340.5m, an increase of \$49.0m (or 17%) on the 6 months ended 30 June 2011, and an increase of \$20.0m (or 6%) on the 6 months ended 31 December 2010.

Period	General Display	% Growth	
		Period/Period	Year / Year
Jul 11- Dec 11	\$340,500,000	17%	6%
Jan 11-Jun 11	\$291,500,000	-9%	2%
Jul 10- Dec 10	\$320,500,000	13%	22%
Jan 10-Jun 10	\$284,750,000	8%	21%
Jul 09-Dec 09	\$262,500,000	11%	3%
Jan 09-Jun 09	\$235,500,000	-8%	13%
Jul 08-Dec 08	\$255,500,000	22%	27%
Jan 08-Jun 08	\$209,000,000	4%	26%
Jul 07-Dec 07	\$201,500,000	22%	19%
Jan 07-Jun 07	\$165,500,000	-2%	24%
Jul 06-Dec 06	\$169,500,000	27%	49%
Jan 06-Jun 06	\$133,500,000	17%	67%
Jul 05-Dec 05	\$114,000,000	43%	54%
Jan 05-Jun 05	\$80,000,000	8%	47%
Jul 04-Dec 04	\$74,000,000	36%	47%
Jan 04-Jun 04	\$54,500,000	9%	79%
Jul 03-Dec 03	\$50,201,279	64%	62%
Jan 03-Jun 03	\$30,524,060		

Note: For 2007, growth from prior year may be impacted by changes in measurement methodology from March 2007 quarter, which would result in reported growth being understated. Refer to Appendix for more information.

Total Market \$ Expenditure by Half Year to 31 December 2011



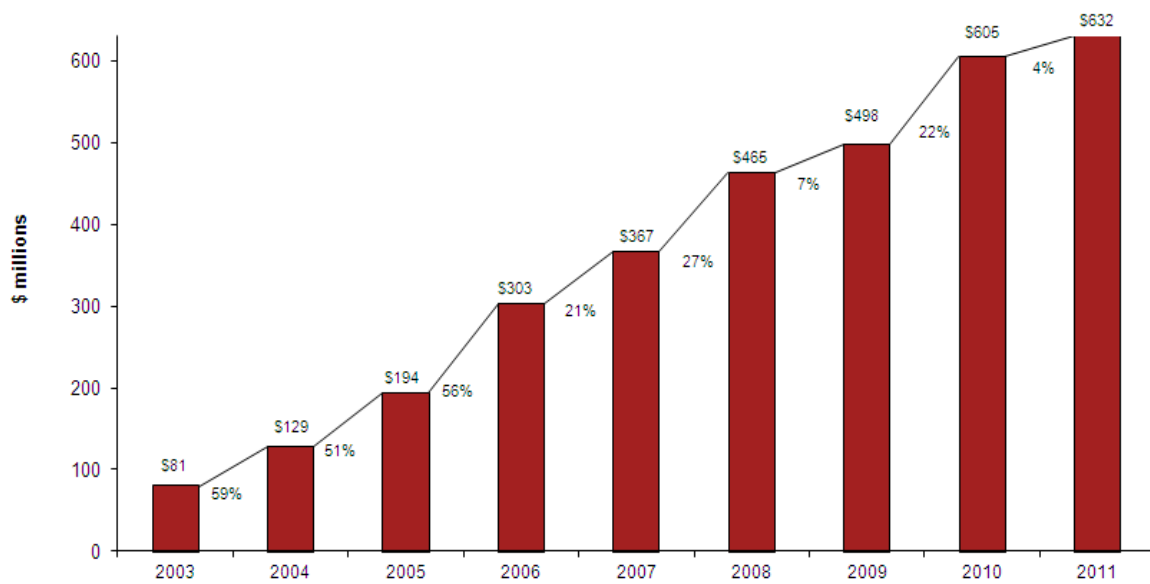
General Display Advertising Expenditure 12 months ended 31 December 2011

The total online advertising expenditure for General Display Advertising for the 12 months ended 31 December 2011 was \$632.0m, an increase of \$26.75m (or 4%) from the 12 months ended 31 December 2010.

<i>12 months ended</i>	<i>General Display</i>	<i>% Growth Year/Year</i>
Dec 2011	\$632,000,000	4%
Dec 2010	\$605,250,000	22%
Dec 2009	\$498,000,000	7%
Dec 2008	\$464,500,000	27%
Dec 2007	\$367,000,000	21%
Dec 2006	\$303,000,000	56%
Dec 2005	\$194,000,000	51%
Dec 2004	\$128,500,000	59%
Dec 2003	\$80,725,339	30%

Note: For 2007, growth from prior year may be impacted by changes in measurement methodology from March 2007 quarter, which would result in reported growth being understated. Refer to Appendix for more information.

Total Market \$ Expenditure by 12 months ended 31 December 2011



General Display – Email and Video Advertising Expenditures

This report includes details of email and video advertising expenditures for an annual basis for June period for the second time. These amounts are included in the total General Display expenditure reported for the period.

The definitions of the email and video categories are included in the Glossary.

Based on submissions from publishers the expenditures (to the nearest \$100,000) for the year ended 31 December 2011 are as follows:

	2011	2010
Email	\$37.7m	\$32.2m
Video	\$43.7m	\$33.4m

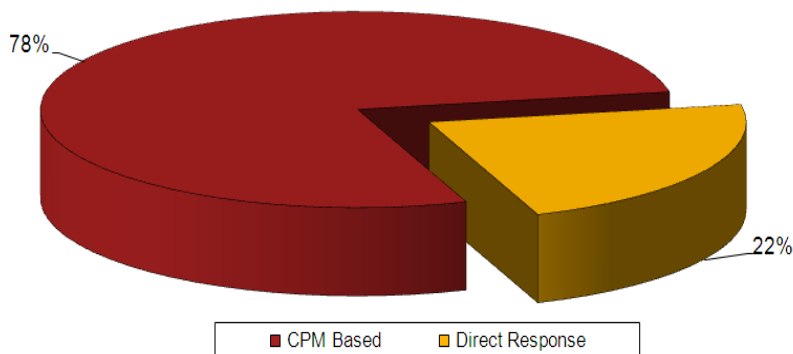
(Note: Email and Video advertising expenditure information was aggregated for all publishers with the exception of Sensis. No estimate has been included for Sensis.)

General Display – Pricing Methodology

This report includes General Display pricing methods for the December period on an annual basis for the second time. The pricing methods are CPM based and Direct Response based.

Definitions of CPM based and Direct Response based are included in the Glossary.

Based on submissions from publishers the pricing methods used in General Display advertising expenditures for the quarter are as follows:



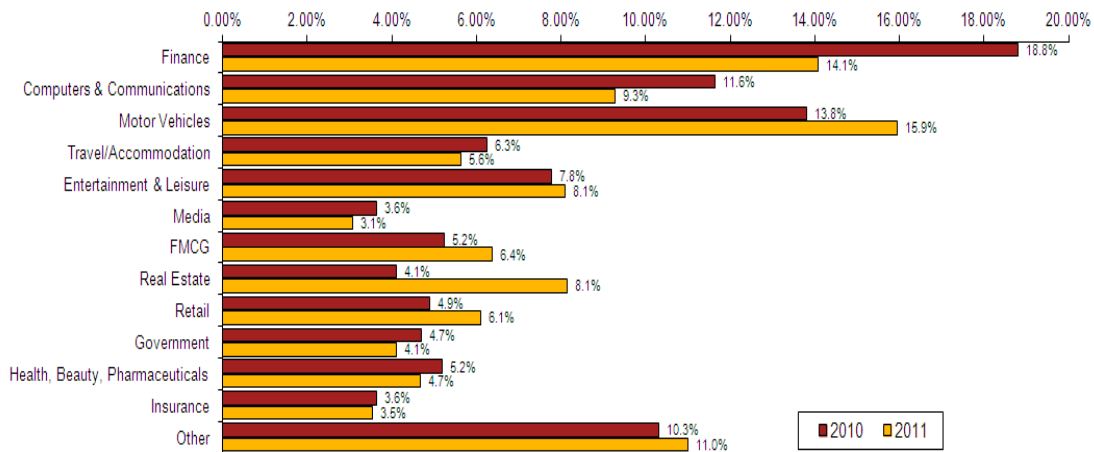
(Note: Pricing methodology information was collected from all publishers with the exception of Sensis. No estimate has been included for Sensis.)

The CPM based pricing method is the most predominantly used pricing basis in the General Display advertising category.

General Display Advertising Expenditure – Advertising Industry Category

- Motor vehicles, which incorporates manufactures, dealers, internet sites and others was the highest spending Advertiser Industry Category in 2011 with 15.9%, an increase from 13.8% in 2010.
- Finance, which incorporates Business Banking, Credit Cards, Home Loans, Superannuation, Personal Banking, Wealth Management and Other Finance, was the next highest spending Advertiser Industry Category in 2011 with 14.1%, a decrease from 18.8% in 2010.
- Computers & Communications recorded a 9.3% share, a decrease from 11.6% in 2010.
- Entertainment & Leisure recorded a 8.1% share, an increase from 7.8% in 2010.
- Travel/Accommodation recorded a 5.6% share, a decrease from 6.3% in 2010.

Advertising Expenditure by Industry Category 12 months ended 31 December 2011 vs. 12 months ended 31 December 2010



*Other for graphical purposes includes Alcoholic Beverages, Community/Public Service, Education & Learning, Home Products & Services, Office & Business Equipment, Recruitment and Other in the Advertiser Industry Category table.

Advertiser Industry Category	2011	2010	2009	2008	2007	2006
Finance	14.08%	18.81%	19.01%	20.82%	21.32%	23.15%
Computers & Communications	9.27%	11.63%	12.72%	15.13%	16.58%	16.96%
Motor Vehicles	15.94%	13.81%	12.46%	14.94%	14.47%	14.73%
Travel/Accommodation	5.63%	6.26%	7.09%	6.30%	6.93%	6.72%
Entertainment & Leisure	8.09%	7.77%	7.81%	7.18%	6.15%	6.13%
Media	3.06%	3.63%	4.31%	4.00%	4.33%	5.09%
FMCG	6.38%	5.24%	5.34%	4.20%	4.66%	3.33%
Real Estate	8.15%	4.11%	4.07%	2.91%	2.37%	2.53%
Retail	6.09%	4.90%	3.58%	3.31%	3.09%	3.47%
Insurance	3.55%	3.64%	3.20%	3.41%	3.70%	2.00%
Health, Beauty, Pharmaceuticals	4.67%	5.18%	4.61%	4.04%	3.17%	2.65%
Government	4.10%	4.70%	4.06%	2.93%	3.47%	2.78%
Other	5.10%	4.72%	5.19%	4.04%	4.03%	2.90%
Recruitment	1.01%	1.13%	1.42%	1.84%	1.81%	3.69%
Alcoholic Beverages	0.96%	0.96%	1.60%	1.28%	1.15%	0.74%
Education & Learning	1.56%	1.62%	1.68%	1.60%	1.17%	1.03%
Home Products & Services	1.12%	0.72%	0.69%	0.76%	0.72%	0.87%
Community/Public Service	0.92%	0.86%	0.96%	0.88%	0.62%	0.85%
Office & Business Equipment	0.32%	0.31%	0.21%	0.43%	0.27%	0.38%

General Display Advertising Expenditure – Advertiser Industry Subcategories

The table below shows the percentage market share of Advertiser Industry Subcategories for the year ended 31 December 2011.

Advertiser Industry Category	2011 %	2010 %	2009 %
Finance	14.08%	18.81%	19.01%
<i>Made up of:</i>			
- Business Banking	0.55%	0.86%	0.86%
- Credit Cards	2.73%	4.62%	3.90%
- Home Loans	2.06%	4.95%	5.45%
- Superannuation	0.73%	0.43%	0.35%
- Personal Banking	2.66%	3.83%	4.24%
- Wealth Management	0.90%	1.15%	1.36%
- Other	4.45%	2.97%	2.85%
Computers & Communication	9.27%	11.63%	12.72%
<i>Made up of:</i>			
- Computer Hardware	2.85%	3.64%	4.33%
- Computer Software	1.25%	1.53%	1.07%
- Telecommunications	4.37%	5.66%	5.78%
- Internet/ISP	0.80%	0.80%	1.54%
Motor Vehicles	15.94%	13.81%	12.46%
<i>Made up of:</i>			
- Internet Sites	0.87%	0.73%	0.64%
- Manufacturers	13.00%	11.19%	10.31%
- Dealers	0.09%	0.19%	0.35%
- Other	1.98%	1.70%	1.16%
Travel/Accommodation	5.63%	6.26%	7.09%
<i>Made up of:</i>			
- Flights	2.19%	2.37%	2.63%
- Accommodation	0.83%	1.35%	1.57%
- Car Hire	0.08%	0.11%	0.21%
- Holiday Packages/Agents	0.86%	0.57%	0.79%
- Other	1.67%	1.85%	1.89%
Entertainment & Leisure	8.09%	7.77%	7.81%
<i>Made up of:</i>			
- Music	0.37%	0.24%	0.38%
- Movies	2.43%	2.81%	2.82%
- Games/Consoles	0.95%	0.91%	0.89%
- Other	4.34%	3.80%	3.71%
Media	3.06%	3.63%	4.31%
FMCG	6.38%	5.24%	5.34%
<i>Made up of:</i>			
- Food	3.23%	2.95%	2.57%
- Beverages (non-alcoholic)	0.92%	0.83%	1.28%
- Other	2.23%	1.46%	1.50%
Real Estate	8.15%	4.11%	4.07%
Retail	6.09%	4.90%	3.58%
Insurance	3.55%	3.64%	3.20%
Health, Beauty, Pharmaceuticals	4.67%	5.18%	4.61%
Government	4.10%	4.70%	4.06%
Other	5.10%	4.72%	5.19%
Recruitment	1.01%	1.13%	1.42%
Alcoholic Beverages	0.96%	0.96%	1.60%
Education & Learning	1.56%	1.62%	1.68%
Home Products & Services	1.12%	0.72%	0.69%
Community/Public Service	0.92%	0.86%	0.96%
Office & Business Equipment	0.32%	0.31%	0.21%
Total	100.00%	100.00%	100.00%

General Display - Historical Expenditure Statistics

Quarterly Data

<i>Period</i>	<i>General Display</i>	<i>% Growth</i>	
		<i>Qtr/Qtr</i>	<i>Year/Year</i>
4th Qtr 11	\$176,000,000	7%	4%
3rd Qtr 11	\$164,500,000	2%	8%
2nd Qtr 11	\$161,750,000	25%	2%
1st Qtr 11	\$129,750,000	-23%	3%
4th Qtr 10	\$168,750,000	11%	19%
3rd Qtr 10	\$151,750,000	-4%	26%
2nd Qtr 10	\$158,750,000	26%	26%
1st Qtr 10	\$126,000,000	-11%	15%
4th Qtr 09	\$141,750,000	17%	9%
3rd Qtr 09	\$120,750,000	-4%	-4%
2nd Qtr 09	\$126,000,000	15%	10%
1st Qtr 09	\$109,500,000	-16%	16%
4th Qtr 08	\$130,000,000	4%	24%
3rd Qtr 08	\$125,500,000	10%	29%
2nd Qtr 08	\$114,500,000	21%	27%
1st Qtr 08	\$94,500,000	-10%	26%
4th Qtr 07	\$104,500,000	8%	14%
3rd Qtr 07	\$97,000,000	7%	24%
2nd Qtr 07	\$90,500,000	21%	19%
1st Qtr 07	\$75,000,000	-18%	30%
4th Qtr 06	\$91,500,000	17%	48%
3rd Qtr 06	\$78,000,000	3%	50%
2nd Qtr 06	\$76,000,000	32%	65%
1st Qtr 06	\$57,500,000	-7%	69%
4th Qtr 05	\$62,000,000	19%	55%
3rd Qtr 05	\$52,000,000	13%	53%
2nd Qtr 05	\$46,000,000	35%	44%
1st Qtr 05	\$34,000,000	-15%	51%
4th Qtr 04	\$40,000,000	18%	46%
3rd Qtr 04	\$34,000,000	6%	50%
2nd Qtr 04	\$32,000,000	42%	84%
1st Qtr 04	\$22,500,000	-18%	71%
4th Qtr 03	\$27,479,934	21%	81%
3rd Qtr 03	\$22,721,345	31%	44%
2nd Qtr 03	\$17,391,290	32%	-1%
1st Qtr 03	\$13,132,770	-13%	-3%
4th Qtr 02	\$15,168,016	-4%	
3rd Qtr 02	\$15,807,914	-10%	
2nd Qtr 02	\$17,508,741	30%	
1st Qtr 02	\$13,515,329		

Note - Figures reported since first-quarter 2007 were prepared by PricewaterhouseCoopers. Figures prior to first-quarter 2007 are based on the OAER – October to December 2006, as prepared by ABVS. Refer to the Report Scope, Methodology and Format section of the appendix for more information.

Classifieds Advertising Expenditure

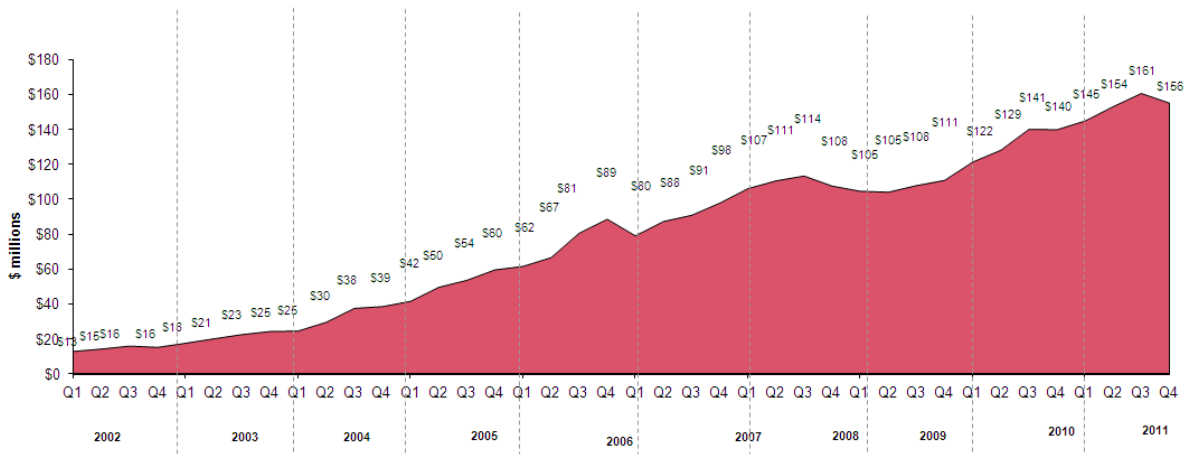
3 months ended 31 December 2011

Total online advertising expenditure for Classifieds Advertising for the three months ended 31 December 2011 was \$155.5m, a decrease of \$5.5m (-3%) on the third-quarter 2011, and an increase of \$15.25m (or 11%) on the fourth-quarter 2010.

Quarterly Revenues

Since the commencement of record keeping of online advertising expenditure, expenditures have increased 32 of the past 39 consecutive quarters. This quarter has continued the trend, showing strong growth.

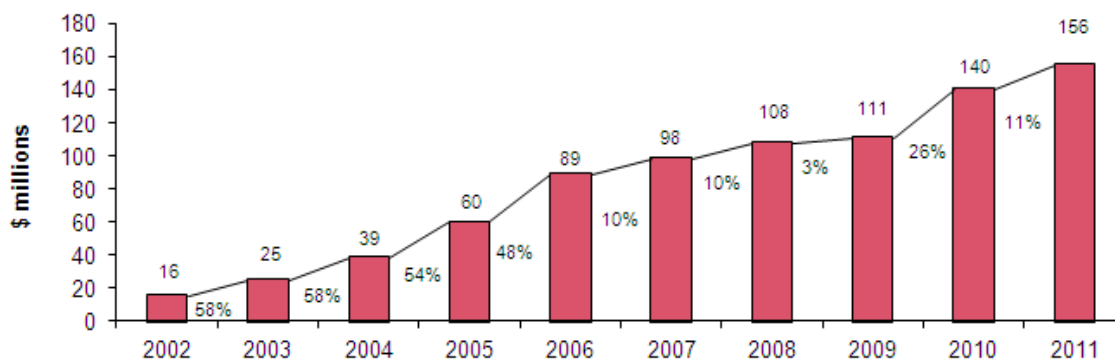
Total Quarterly \$ Expenditure Growth Comparisons 2002-2011 YTD



Historical Fourth-Quarter Expenditure Trends

Fourth-quarter expenditure has increased year-on-year. Classifieds Advertising expenditure in Australia in the fourth-quarter 2011 is up 11% on the same period last year.

Fourth Quarter Total Market \$ Expenditure – 2002 through 2011



Note: For 2007, growth from prior year may be impacted by changes in measurement methodology from March 2007 quarter, which would result in reported growth being understated. Refer to Appendix for more information.

Real Estate was the leading Category for Classifieds advertising expenditure in the fourth-quarter 2011 followed by Recruitment then Automotive. This is the same order as the prior quarter and prior year.

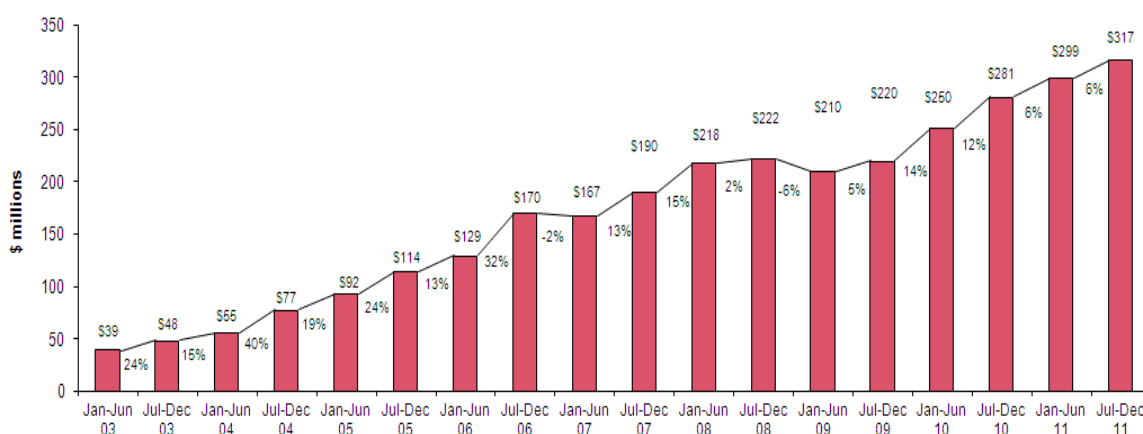
Classifieds Advertising Expenditure 6 months ended 31 December 2011

The total online advertising expenditure for Classifieds Advertising for the 6 months ended 31 December 2011 was \$316.5m, an increase of \$17.75m (or 6%) from the 6 months ended 30 June 2011, and an increase of \$35.75m (or 13%) from the comparable 6 months ended 31 December 2010.

Period	Classifieds	% Growth	
		Period/ Period	Year / Year
Jul 11-Dec 11	\$316,500,000	6%	13%
Jan 11-Jun 11	\$298,750,000	6%	19%
Jul 10-Dec 10	\$280,750,000	12%	28%
Jan 10-Jun 10	\$250,250,000	14%	19%
Jul 09-Dec 09	\$219,500,000	5%	-1%
Jan 09-Jun 09	\$209,500,000	-6%	-4%
Jul 08-Dec 08	\$221,750,000	2%	17%
Jan 08-Jun 08	\$217,500,000	15%	30%
Jul 07-Dec 07	\$189,500,000	13%	11%
Jan 07-Jun 07	\$167,250,000	-2%	30%
Jul 06-Dec 06	\$170,000,000	32%	49%
Jan 06-Jun 06	\$129,000,000	13%	40%
Jul 05-Dec 05	\$114,000,000	24%	48%
Jan 05-Jun 05	\$92,000,000	19%	67%
Jul 04-Dec 04	\$77,000,000	40%	62%
Jan 04-Jun 04	\$55,000,000	15%	43%
Jul 03-Dec 03	\$47,666,119	24%	49%
Jan 03-Jun 03	\$38,578,175		

Note: For 2007, growth from prior year may be impacted by changes in measurement methodology from March 2007 quarter, which would result in reported growth being understated. Refer to Appendix for more information.

Total Market \$ Expenditure by Half Year to 31 December 2011



Real Estate was the leading Category for Classifieds advertising expenditure in the 6 months ended 31 December 2011 followed by Recruitment, then Automotive. This is the same as the prior six month period and prior year six month period.

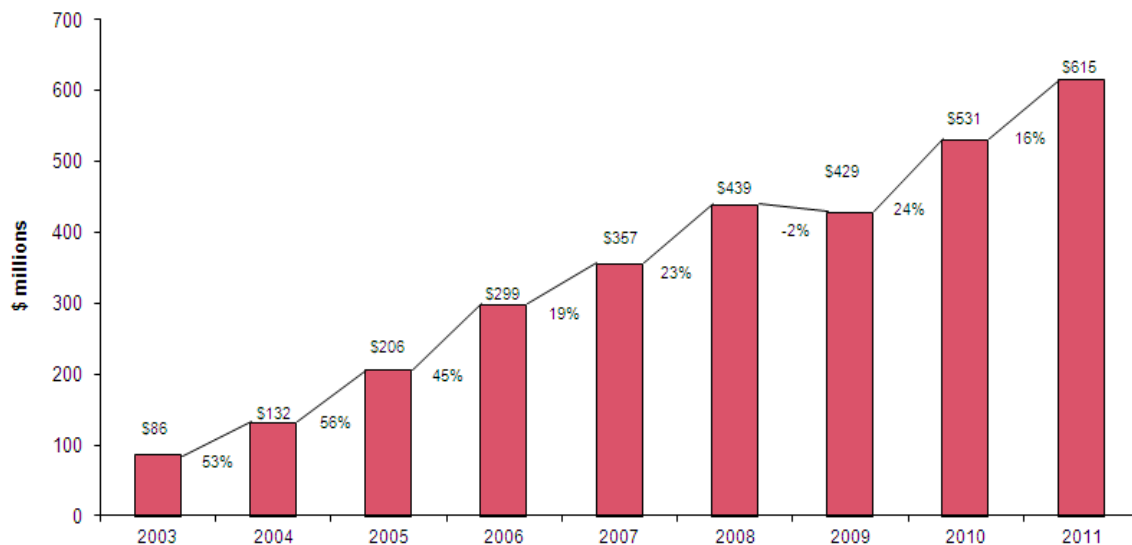
Classifieds Advertising Expenditure 12 months ended 31 December 2011

The total online advertising expenditure for Classifieds Advertising for the 12 months ended 31 December 2011 was \$615.25m, an increase of \$84.25m (or 16%) from the 12 months ended 31 December 2010.

<i>12 months ended</i>	<i>Classifieds</i>	<i>% Growth Year/Year</i>
Dec 2011	\$615,250,000	16%
Dec 2010	\$531,000,000	24%
Dec 2009	\$429,000,000	-2%
Dec 2008	\$439,250,000	23%
Dec 2007	\$356,750,000	19%
Dec 2006	\$299,000,000	45%
Dec 2005	\$206,000,000	56%
Dec 2004	\$132,000,000	53%
Dec 2003	\$86,244,294	44%

Note: For 2007, growth from prior year may be impacted by changes in measurement methodology from March 2007 quarter, which would result in reported growth being understated. Refer to Appendix for more information

Total Market \$ Expenditure by 12 months ended 31 December 2011



Real Estate was the leading Category for Classifieds advertising expenditure in the 12 months ended 31 December 2011 followed by Recruitment, then Automotive. This is the same order as the prior year.

Classifieds - Historical Expenditure Statistics

Quarterly Data

<i>Period</i>	<i>Classifieds</i>	<i>% Growth</i>	
		<i>Qtr/Qtr</i>	<i>Year/Year</i>
4th Qtr 11	\$155,500,000	-3%	11%
3rd Qtr 11	\$161,000,000	5%	15%
2 nd Qtr 11	\$153,500,000	6%	19%
1 st Qtr 11	\$145,250,000	4%	19%
4th Qtr 10	\$140,250,000	-0%	26%
3rd Qtr 10	\$140,500,000	9%	30%
2nd Qtr 10	\$128,500,000	6%	23%
1st Qtr 10	\$121,750,000	9%	16%
4th Qtr 09	\$111,250,000	3%	3%
3rd Qtr 09	\$108,250,000	4%	-5%
2nd Qtr 09	\$104,500,000	-0%	-6%
1st Qtr 09	\$105,000,000	-3%	-1%
4th Qtr 08	\$108,000,000	-5%	10%
3rd Qtr 08	\$113,750,000	2%	25%
2nd Qtr 08	\$111,000,000	4%	26%
1st Qtr 08	\$106,500,000	8%	34%
4th Qtr 07	\$98,250,000	8%	10%
3rd Qtr 07	\$91,250,000	4%	13%
2nd Qtr 07	\$87,750,000	10%	31%
1st Qtr 07	\$79,500,000	-11%	28%
4th Qtr 06	\$89,000,000	10%	48%
3rd Qtr 06	\$81,000,000	21%	50%
2nd Qtr 06	\$67,000,000	8%	34%
1st Qtr 06	\$62,000,000	3%	48%
4th Qtr 05	\$60,000,000	11%	54%
3rd Qtr 05	\$54,000,000	8%	42%
2nd Qtr 05	\$50,000,000	19%	67%
1st Qtr 05	\$42,000,000	8%	68%
4th Qtr 04	\$39,000,000	3%	58%
3rd Qtr 04	\$38,000,000	27%	66%
2nd Qtr 04	\$30,000,000	20%	46%
1st Qtr 04	\$25,000,000	1%	39%
4th Qtr 03	\$24,714,607	8%	58%
3rd Qtr 03	\$22,951,512	12%	40%
2nd Qtr 03	\$20,556,558	14%	40%
1st Qtr 03	\$18,021,617	15%	35%
4th Qtr 02	\$15,640,828	-4%	
3rd Qtr 02	\$16,356,473	11%	
2nd Qtr 02	\$14,685,366	10%	
1st Qtr 02	\$13,317,334		

Note - Figures reported since first-quarter 2007 were prepared by PricewaterhouseCoopers. Figures prior to first-quarter 2007 are based on the OAER – October to December 2006, as prepared by ABVS. Refer to the Report Scope, Methodology and Format section of the appendix for more information.

Search & Directories Advertising Expenditure

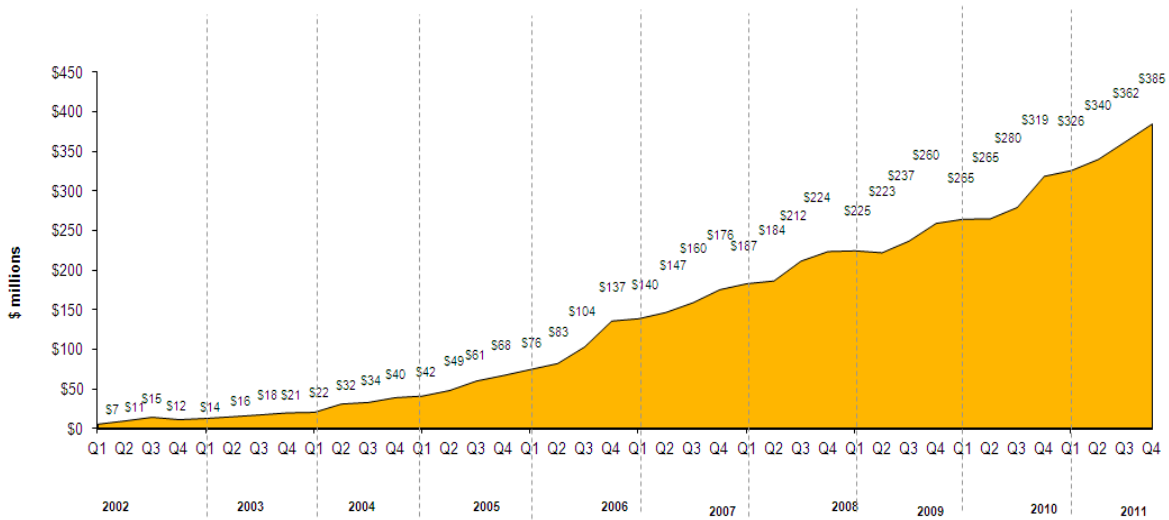
3 months ended 31 December 2011

Total online advertising expenditure for Search and Directories Advertising for the three months ended 31 December 2011 was \$384.75m, an increase of \$22.5m (or 6%) on the third-quarter 2011, and an increase of \$66.0m (or 21%) on the fourth-quarter 2010.

Quarterly Expenditure

Since the commencement of record keeping of online advertising expenditure, expenditures have increased 35 of the past 38 consecutive quarters.

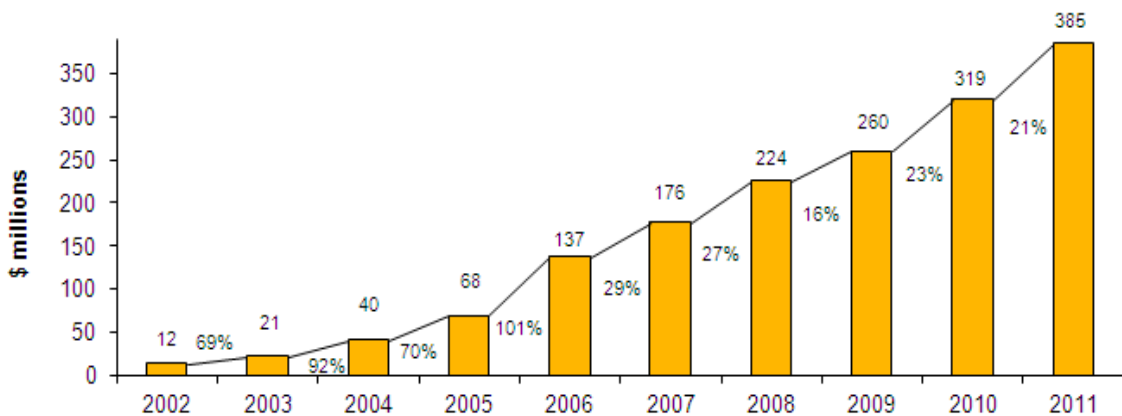
Total Quarterly \$ Expenditure Growth Comparisons 2002-2011 YTD



Historical Fourth-Quarter Expenditure Trends

Fourth-quarter expenditure has increased significantly year-on-year. Search and Directories Advertising expenditure in Australia in the fourth-quarter 2011 was up 21% on the same period last year. The increase is the ninth consecutive yearly increase for the fourth quarter since the commencement of data collection in 2002.

Fourth Quarter Total Market \$ Expenditure – 2002 through 2011



Note: For 2007, growth from prior year may be impacted by changes in measurement methodology from March 2007 quarter. Refer to Appendix for more information.

Search expenditures have grown more strongly than Directories expenditures.

Search & Directories Advertising Expenditure

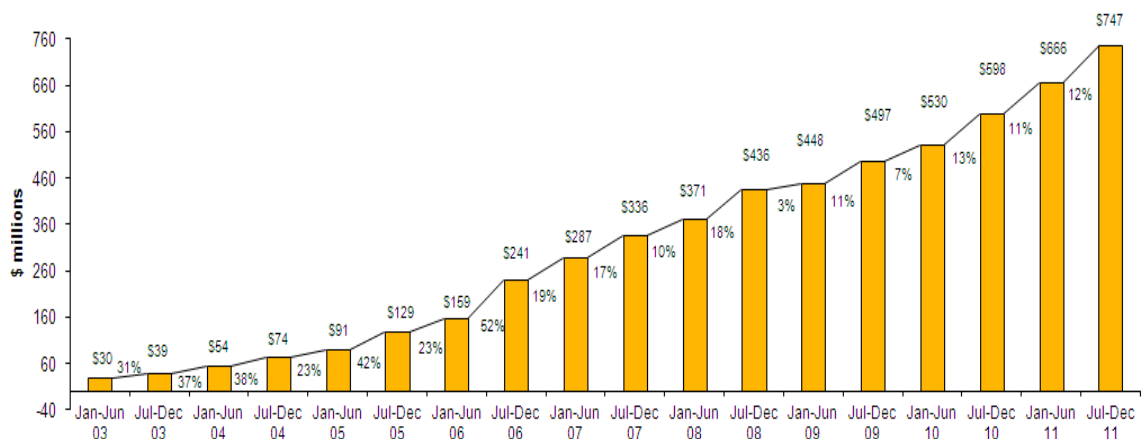
6 months ended 31 December 2011

The total online advertising expenditure for Search & Directories Advertising for the 6 months ended 31 December 2011 was \$747.0m, an increase of \$81.0m (or 12%) from the 6 months ended 30 June 2011, and an increase of \$148.75m (or 25%) from the comparable 6 months ended 31 December 2010.

<i>Period</i>	<i>Search and Directories</i>	<i>% Growth</i>	
		<i>Period / Period</i>	<i>Year / Year</i>
Jul 11-Dec 11	\$747,000,000	12%	25%
Jan 11-Jun 11	\$666,000,000	11%	26%
Jul 10-Dec 10	\$598,250,000	13%	20%
Jan 10-Jun 10	\$530,000,000	7%	18%
Jul 09-Dec 09	\$496,750,000	11%	14%
Jan 09-Jun 09	\$447,500,000	3%	21%
Jul 08-Dec 08	\$436,000,000	18%	30%
Jan 08-Jun 08	\$370,500,000	10%	29%
Jul 07-Dec 07	\$335,500,000	17%	40%
Jan 07-Jun 07	\$286,750,000	19%	81%
Jul 06-Dec 06	\$240,500,000	52%	86%
Jan 06-Jun 06	\$158,500,000	23%	74%
Jul 05-Dec 05	\$129,000,000	42%	74%
Jan 05-Jun 05	\$91,000,000	23%	70%
Jul 04-Dec 04	\$74,000,000	38%	89%
Jan 04-Jun 04	\$53,500,000	37%	79%
Jul 03-Dec 03	\$39,132,602	31%	42%
Jan 03-Jun 03	\$29,897,765		

Note: For 2007, growth from prior period and prior year may be impacted by changes in measurement methodology from March 2007 quarter. Refer to Appendix for more information.

Total Market \$ Expenditure by Half Year to 31 December 2011



Search expenditures have grown more strongly than Directories expenditures.

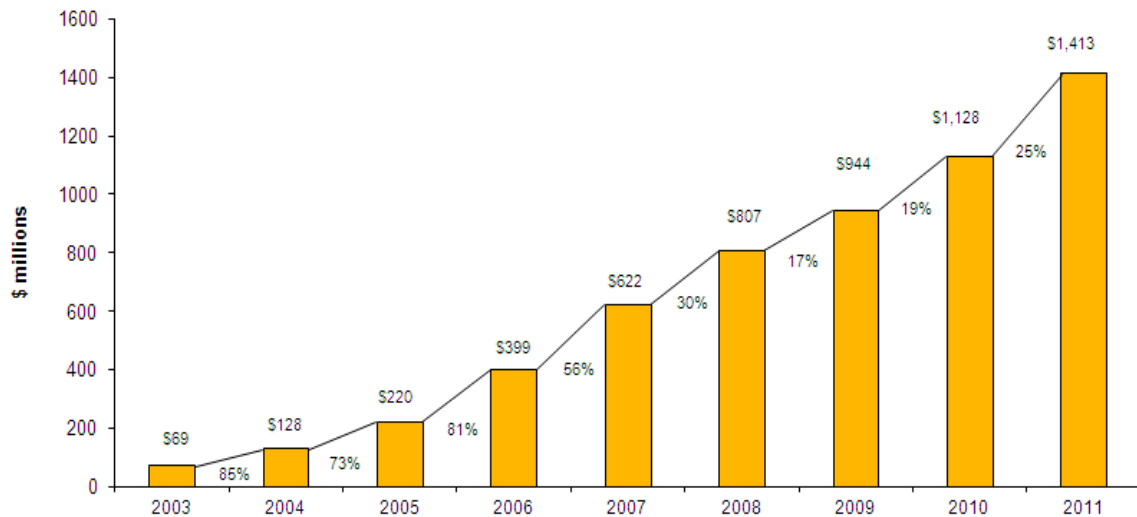
Search & Directories Advertising Expenditure 12 months ended 31 December 2011

The total online advertising expenditure for Search & Directories for the 12 months ended 31 December 2011 was \$1,413.0m, an increase of \$248.75m (or 25%) from the 12 months ended 31 December 2010.

<i>12 months ended</i>	<i>Search and Directories</i>	<i>% Growth Year/Year</i>
Dec 2011	\$1,413,000,000	25%
Dec 2010	\$1,128,250,000	19%
Dec 2009	\$944,250,000	17%
Dec 2008	\$806,500,000	30%
Dec 2007	\$622,250,000	56%
Dec 2006	\$399,000,000	81%
Dec 2005	\$220,000,000	73%
Dec 2004	\$127,500,000	85%
Dec 2003	\$69,030,367	53%

Note: For 2007, growth from prior year may be impacted by changes in measurement methodology from March 2007 quarter. Refer to Appendix for more information.

Total Market \$ Expenditure by 12 months ended 31 December 2011



Search expenditures have grown more strongly than Directories expenditures.

Search & Directories - Historical Expenditure Statistics

Quarterly Data

<i>Period</i>	<i>Search and Directories</i>	<i>% Growth</i>	
		<i>Qtr/Qtr</i>	<i>Year/Year</i>
4th Qtr 11	\$384,750,000	6%	21%
3rd Qtr 11	\$362,250,000	7%	30%
2nd Qtr 11	\$340,000,000	4%	28%
1st Qtr 11	\$326,000,000	2%	23%
4th Qtr 10	\$318,750,000	14%	23%
3rd Qtr 10	\$279,500,000	5%	18%
2nd Qtr 10	\$265,250,000	0%	19%
1st Qtr 10	\$264,750,000	2%	18%
4th Qtr 09	\$259,500,000	9%	16%
3rd Qtr 09	\$237,250,000	7%	12%
2nd Qtr 09	\$222,500,000	-1%	19%
1st Qtr 09	\$225,000,000	0%	23%
4th Qtr 08	\$224,000,000	6%	27%
3rd Qtr 08	\$212,000,000	13%	33%
2nd Qtr 08	\$187,000,000	2%	27%
1st Qtr 08	\$183,500,000	4%	32%
4th Qtr 07	\$176,000,000	10%	29%
3rd Qtr 07	\$159,500,000	8%	53%
2nd Qtr 07	\$147,250,000	6%	77%
1st Qtr 07	\$139,500,000	2%	85%
4th Qtr 06	\$136,500,000	31%	101%
3rd Qtr 06	\$104,000,000	25%	70%
2nd Qtr 06	\$83,000,000	10%	69%
1st Qtr 06	\$75,500,000	11%	80%
4th Qtr 05	\$68,000,000	11%	70%
3rd Qtr 05	\$61,000,000	24%	79%
2nd Qtr 05	\$49,000,000	17%	53%
1st Qtr 05	\$42,000,000	5%	95%
4th Qtr 04	\$40,000,000	18%	92%
3rd Qtr 04	\$34,000,000	6%	86%
2nd Qtr 04	\$32,000,000	49%	99%
1st Qtr 04	\$21,500,000	3%	55%
4th Qtr 03	\$20,805,459	14%	69%
3rd Qtr 03	\$18,327,143	14%	20%
2nd Qtr 03	\$16,052,152	16%	49%
1st Qtr 03	\$13,845,613	12%	109%
4th Qtr 02	\$12,335,206	-19%	
3rd Qtr 02	\$15,279,724	42%	
2nd Qtr 02	\$10,756,419	62%	
1st Qtr 02	\$6,628,651		

Note - Figures reported since first-quarter 2007 were prepared by PricewaterhouseCoopers. Figures prior to first-quarter 2007 are based on the OAER – October to December 2006, as prepared by ABVS. Refer to the Report Scope, Methodology and Format section of the appendix for more information.

Appendix

Report Scope, Methodology and Format

Scope

The Interactive Advertising Bureau (IAB) has retained PricewaterhouseCoopers to establish a comprehensive standard for measuring online advertising expenditures. The IAB OAER is an ongoing IAB mission to provide an accurate barometer of online advertising expenditure growth.

To achieve differentiation from existing estimates and accomplish industry-wide acceptance, key aspects of the OAER include:

- Obtaining data directly from companies receiving online advertising expenditures;
- Making the OAER as inclusive as possible, encompassing all forms of Internet/online advertising, including web sites, consumer online services and e-mail providers;
- Ensuring and maintaining a confidential process, only releasing aggregate data; and
- Performing “spot checks” of data submitted by participants to increase the overall integrity of the data.

The online advertising expenditure measured by the OAER is based on amounts charged to advertiser before any reductions for agency rebates. Therefore, the amount reported is the gross commissionable advertising revenue.

Methodology

Participants of the OAER are required to submit an online advertising expenditure return to PwC at the end of the relevant quarter. PwC compiles the submissions and conducts a review of the reported figures for reasonableness in light of past submissions and general industry trends.

PwC may conduct a “spot check” of information submitted by a participant to confirm the accuracy of the data submitted. A “spot check” may include general queries and enquiries to confirm submission data and that expenditure reported is in accordance with the definition of expenditure being applied in the OAER and may also include a sample check of the allocation of expenditure to categories. These checks do not constitute an audit.

To ensure the protection of participant’s data and market share information, industry category breakdowns will only be referred to where at least three or more unrelated participants have contributed to the aggregate.

Due to the dynamic nature of the internet industry the number of participants in an industry category may change from time to time which may result in the category not being referred to separately in the report. Where new participants contribute data or participants change their method of capturing data, efforts will be made to collect historical data and to update the appropriate comparative data. Adjustments to historical data will only be made once there are three new participants providing data.

All reported amounts are made up of participant verified actual data. Since the March 2007 quarter report no estimates are included in the aggregate amounts to cover those entities that are not participants, with the exception of Search and Directories, where an estimate for Google is included as they are the key participant in the search market. Reports prior to the March 2007 quarter report included estimates for all categories. This change in methodology has the impact of understating growth rates when comparing 2007 figures to 2006 figures.

Aggregate amounts reported are rounded to the nearest \$250,000.

Based on information provided by contributors, approximately 63% of the data in this report is derived from participants whose underlying financial records have been, or will be, audited.

Note: All data prior to the March 2007 quarter is based on the OAER as prepared by the Audit Bureau of Verification Services (ABVS), and therefore the methodology of preparation differs to the methodology applied in the preparation of reports from the March 2007 quarter report, as ABVS data includes estimates for all categories.

Format

The OAER reports Australian online advertising expenditure sourced from 3 broad categories:

- General Display Advertising, which includes revenues from display ads such as banner advertisements of many different sizes and formats, affiliate marketing programmes, partnerships, sponsorships and emails;
- Classifieds Advertising, which includes revenues from ads placed to buy or sell an item or service; and
- Search and Directories Advertising, which includes revenues from online directory and search engine listings.

General Display Advertising is further reported by advertiser industry categories and their share of the total General Advertising pool. Classifieds Advertising also lists the order of the top categories for the reporting period. Search & Directories Advertising is reported as a single figure due to the limited number of participants in the individual segments in this category.

Glossary

Advertising Expenditure Types

General Display Advertising

Expenditure on advertising such as banner advertisements of many different sizes and formats, affiliate marketing programmes, partnerships, sponsorships, and emails.

Classifieds Advertising

Expenditure on ads placed to buy or sell an item or service, or to report an item of information.

Search and Directories Advertising

Expenditure from online directory or search engine listings.

Please note: This report does not include any e-commerce or transaction based expenditure.

Email and Video Definitions (sub-advertising types of General Display)

- **Email**

Banner ads, links or advertiser sponsorships that appear in email newsletters, email marketing campaigns and other commercial email communications. Includes all types of electronic mail (e.g. basic text or HTML-enabled).

- **Video**

TV-like advertisements that may appear as in-page video commercials or before, during, and/or after a variety of context in a player environment including but not limited to, streaming video, animation, gaming, music video content. This definition includes broadband video commercials that appear in live, archived, and downloadable streaming content.

Pricing Methods (used within General Display)

- **CPM Based**

Pricing is based on a straight Cost per Thousand pricing methodology, sponsorship, or CPM-like pricing.

- **Direct Response Based**

Pricing is based on a non-CPM display methodology. This may include any pay per click, pay per sale, pay per action, pay per lead, etc.

General Display Advertising Industry Categories

Alcoholic Beverages

Any business that is involved with the manufacturing, distribution and sale of any liquid/beverage intended for drinking that contains an intoxicant. This includes beer, wine, spirits and pre-mixed alcoholic products.

Communications

- Telecommunications

Any business involved in the manufacture and sale of telecommunications products. This includes telephones (landline and mobile), pager systems, radio communication services, air time resellers, etc. and companies involved in the retail of telecommunication services.

- Internet/ISP

Any business that provides internet and web-related services. This includes internet web hosting, internet service providers (ISP) and ISP hosting, and businesses involved in the retail of Internet/ISP services.

Community & Public Service

This pertains to community service and charity organisations that provide products and services for the benefit of the community. It includes organisations such as the Salvation Army, Red Nose Day etc.

Computers

- Computer Hardware

Any business involved with the manufacturing, sale and provision of products and services relating specifically to computer hardware (the physical components of a computer).

- Computer Software

Any business involved with the manufacturing, sale and provision of products and services relating specifically to computer software (programs installed on a computer). Excludes entertainment software.

Education & Learning

Any business, organisation or institution in either the private or the government sectors that provide education and training services. This includes any primary, secondary, tertiary educational institutions, adult education centres, colleges, TAFE institutes, correspondence schools and cultural learning centres.

Entertainment and Leisure

- Music (Live Events/Distributors)

Any organisation or business that provides products and viewing content related directly to music entertainment including businesses associated with live entertainment, concert promoters, music publishers/promoters, etc.

- Movies (Home entertainment, cinema)

Any organisation or business that provides entertainment and leisure products associated with movies, including cinemas, DVDs, film production and distribution companies, etc.

- Console/electronic games

Businesses involved in the production and distribution of electronic computer games software and associated devices such as consoles.

- Other

Additional entertainment and leisure organisations/products/services that do not meet the parameters of other the entertainment categories.

Finance

- Business Banking and Services

Any business providing banking products or services on a corporate basis. Services can include business advice, business loans and corporate bank accounts, etc.

- Credit Cards

Any business involved in the provision or distribution of credit cards. Such companies can include banks, other financial institutions and specific credit card companies such as Visa, MasterCard, etc.

- Home Loans

Any business involved in the provision of personal mortgages, including banks, other financial institutions and private lenders.

- Superannuation

Any business involved in the provision and management of superannuation funds, including both public and private companies and industry funds.

- Personal Banking and Services

Any business providing banking products or services on a strictly personal basis. Services can include financial advice, personal loans and bank accounts. Excludes credit card or home loan products.

- Wealth Management (excluding super)

Any business involved in the management of investments, excluding superannuation. This includes financial advisers, stockbrokers' and fund managers.

- Other

Any businesses that do not meet the parameters of the other finance categories.

FMCG (Fast Moving Consumer Goods)

- Food

Any business involved in the production, distribution and sale of foodstuff items which can be considered supermarket goods.

- Beverages (non-alcoholic)

Any business involved in the production, distribution and sale of beverage items (excluding alcohol) which can be considered supermarket goods.

- Other

Other fast moving consumer goods that cannot be classified into the preceding categories.

Government

Any organisation providing services for, or on behalf of, an Australian, State or Local government body, agency or department.

Home Products & Services

Any business providing products, services and product advice relating to house or unit renovations and construction, fittings, building materials and furnishings.

Health, Beauty & Pharmaceuticals

Any business providing products, services and product advice relating to health, beauty and/or Pharmaceuticals.

Insurance

Any business involved with consumer related insurance products or services. This includes motor vehicle insurance, house and household contents insurance, life insurance, health insurance, corporate and professional insurance or any other insurance.

Media

Any business involved with or related to mass communication. This includes mediums such as radio, television (either cable or free to air), cinema and publications (such as newspapers, magazines and websites).

Motor Vehicles

- **Motor Vehicle Internet Sites**

Any business involved in the creation of internet websites providing motor vehicle information. This category can involve online businesses, motor vehicle enthusiasts, etc.

- **Vehicle Manufacturers**

Any business specifically involved in the manufacture of motor vehicles, which includes cars, trucks, motorbikes and motorised scooters.

- **Motor Vehicle Dealers**

Any business specifically involved in the sale, marketing and servicing of motor vehicles.

- **Other**

Any motor vehicle business that cannot be classified into the other Motor Vehicle categories.

Office & Business Equipment

Any business providing products, services and product advice in regards to office and business equipment.

Other

Any business that does not meet the general parameters of any other category.

Real Estate

Any business providing commercial or residential property advice, information and retail services for the sale and management of real estate.

Recruitment

Any business involved with the process of attracting, screening and hiring personnel.

Retail

Any business or organisation involved in the sales of goods directly to the consumer or via a bidding process. This includes department stores, mail order businesses, street vendors and markets and auctions of real estate, motor vehicles, white goods, electrical goods, manufacturing and retail equipment, antiques, furniture and general household items.

Travel & Accommodation

- **Flights**

Any organisation or business involved in the provision of domestic and international airfare, such as airlines.

- **Accommodation**

Any organisation or business involved in the provision of temporary lodgings, including hotels, motels and hostels.

- **Car Hire**

Any organisation or business involved in the organisation and provision of temporary motor vehicle hire.

- **Holiday Packages/ Travel Agents**

Any organisation or business involved in the provision of holiday tours and/or event packages, which may often include a combination of flights, accommodation and car hire.

- **Other**

Any other travel and accommodation organisation or business that cannot be classified into the other travel & accommodation categories (e.g. rail travel, cruises, etc.).

Contributors

The IAB Online Advertising Expenditure Report includes financial data from over 1,000 websites and is supported and promoted by the following companies:

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Webfirm
Yahoo! 7
Yahoo! Search Marketing

We thank them all for their contribution to this industry information.

About the IAB

The Interactive Advertising Bureau (IAB) Limited is the peak trade association for online advertising in Australia. As one of over 32 IAB offices globally, and with a rapidly growing membership, IAB Australia's principal objective is to increase the share of advertising and marketing dollars that interactive media captures in the marketplace.

Incorporated in July 2010 by nine founding members - Fairfax Digital, Fox Interactive Media, News Digital Media, ninemsn, REA Group, Ten, Yahoo!7, and Sensis Media Smart - together with the Australian Interactive Media Industry Association (AIMIA), the IAB has four objectives:

- To develop, coordinate and promote industry standards and guidelines that make interactive advertising a simpler and more attractive medium for agencies, advertisers and marketers
- To prove and promote the effectiveness of interactive advertising to advertisers, agencies, marketers, and the press
- To be the primary advocate for the interactive marketing and advertising industry
- To expand the breadth and depth of IAB membership while increasing direct value to members

For further information about IAB Australia please visit: www.iabaustralia.com.au or contact

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