

Q2, 2008 delivers second consecutive record quarter for online advertising.

Auckland, Wednesday August 20, 2008

The Interactive Advertising Bureau of New Zealand (IABNZ) today announced the release of the IAB/PwC Insight report for Q2, 2008.

For a second consecutive quarter, online advertising hit record levels in Q2, 2008, reaching \$49.24 million – up over 8% on the previous quarter’s total of \$45.86 million.

The increase was largely fuelled by a dramatic increase in Display advertising which was up over 30% on Q1’s total of \$11.54 million to a new record quarterly total of \$14.98m.

Mark Evans, CEO of IABNZ, says the increase is something the industry should be proud of. “We’ve seen consistently strong growth in interactive advertising over the past six quarters since we started measuring ad spend in New Zealand”, he says, “and this report shows that trend continuing. It’s evidence that kiwi companies are increasingly recognising the benefits of interactive advertising as an effective and measurable way of reaching their customers, and channelling their marketing spend accordingly. A lot of that’s been driven by the efforts of media companies and advertising agencies to clearly demonstrate those benefits to their clients”.

Evans says he’s interested to see what Q3 will bring given the tightening economic conditions. “Other markets have started to see evidence that interactive advertising is increasing its market share as the economy slows, as it provides advertisers with a very measurable medium for their marketing dollars, and gives them the ability to turn campaigns on or off quickly to drive demand and generate leads”.

Lee Williams, the Chairman of IABNZ, says the dramatic increase in Display advertising this quarter is particularly encouraging. “We expected an increase in Q2 following the usual slower quarter in Q1 due to the post-Christmas holiday effect”, he says, “but an increase of 30% for Q2 is even stronger than we expected, and the fact that we’re seeing more advertisers using the medium and more campaigns from existing advertisers is evidence that interactive advertising has really built up some momentum”.

The increase in Display advertising was driven by increases in industries that have traditionally been strong interactive advertisers - Travel & Accommodation, Investment, Finance & Banking, Government Departments, Telecommunications and Computers all showed healthy increases over Q1 levels.

Chris Perree, Partner at PricewaterhouseCoopers, says there’s also evidence that some of the industries which have been slower to advertise online are starting to increase

their interactive advertising activity too. “Some of the smaller categories are showing healthy year-on-year growth – for example Home & Garden and Food & Beverages combined now account for 8.5% of total display spending whereas this time last year they accounted for just 4.4% of total display spending.”

IABNZ expects the next quarterly report to be released in mid November.

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