

PriceWaterhouseCoopers

IAB - Online Advertising Expenditure Report - Q3, 2008

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Market Overview - Q3, 2008

The third quarter has delivered yet another record total for interactive advertising spending in New Zealand **\$49.8m**, up **22%** on Q3 2007's total of **\$39.67m**.

Total Market: \$49.82m

Up 22% from Q3, 2007 (\$39.67m)

Up 1% from Q2, 2008 (\$49.24m)

Display: \$15.84m

Up 24% from Q3, 2007 (\$12.84m)

Up 5.5% from Q2, 2008 (\$14.98m)

Classified: \$19.08m

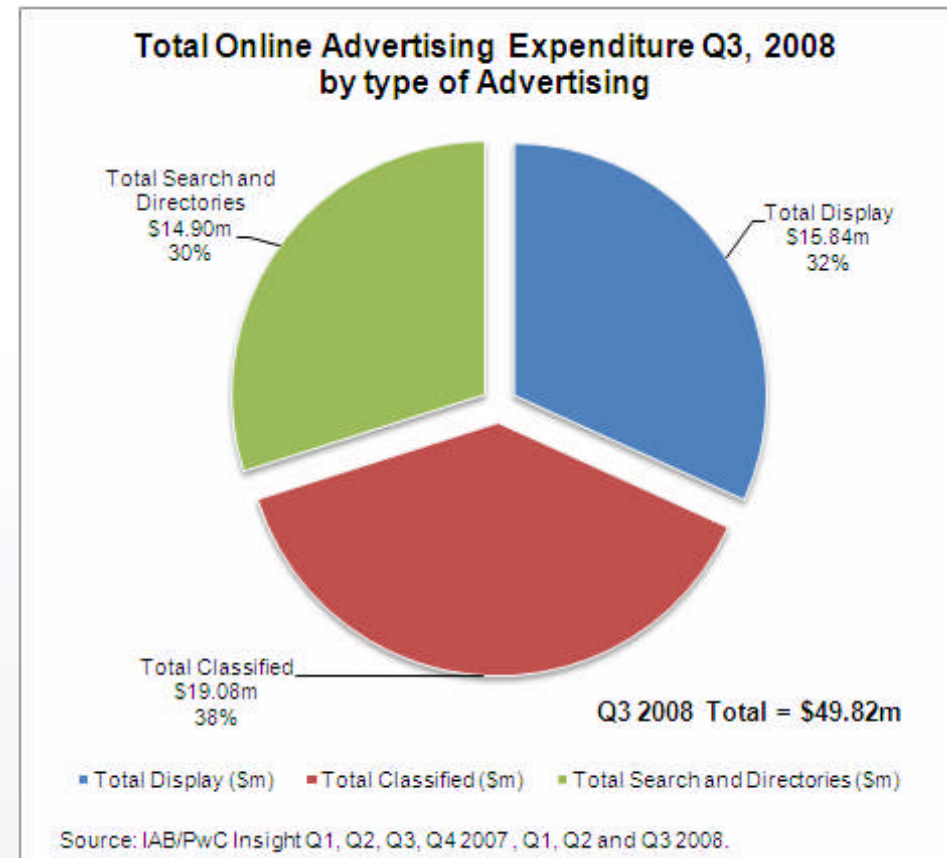
Up 14% from Q3, 2007 (\$16.71m)

Down 0.5% from Q2, 2008 (\$19.15m)

Search & Directories: \$14.90m

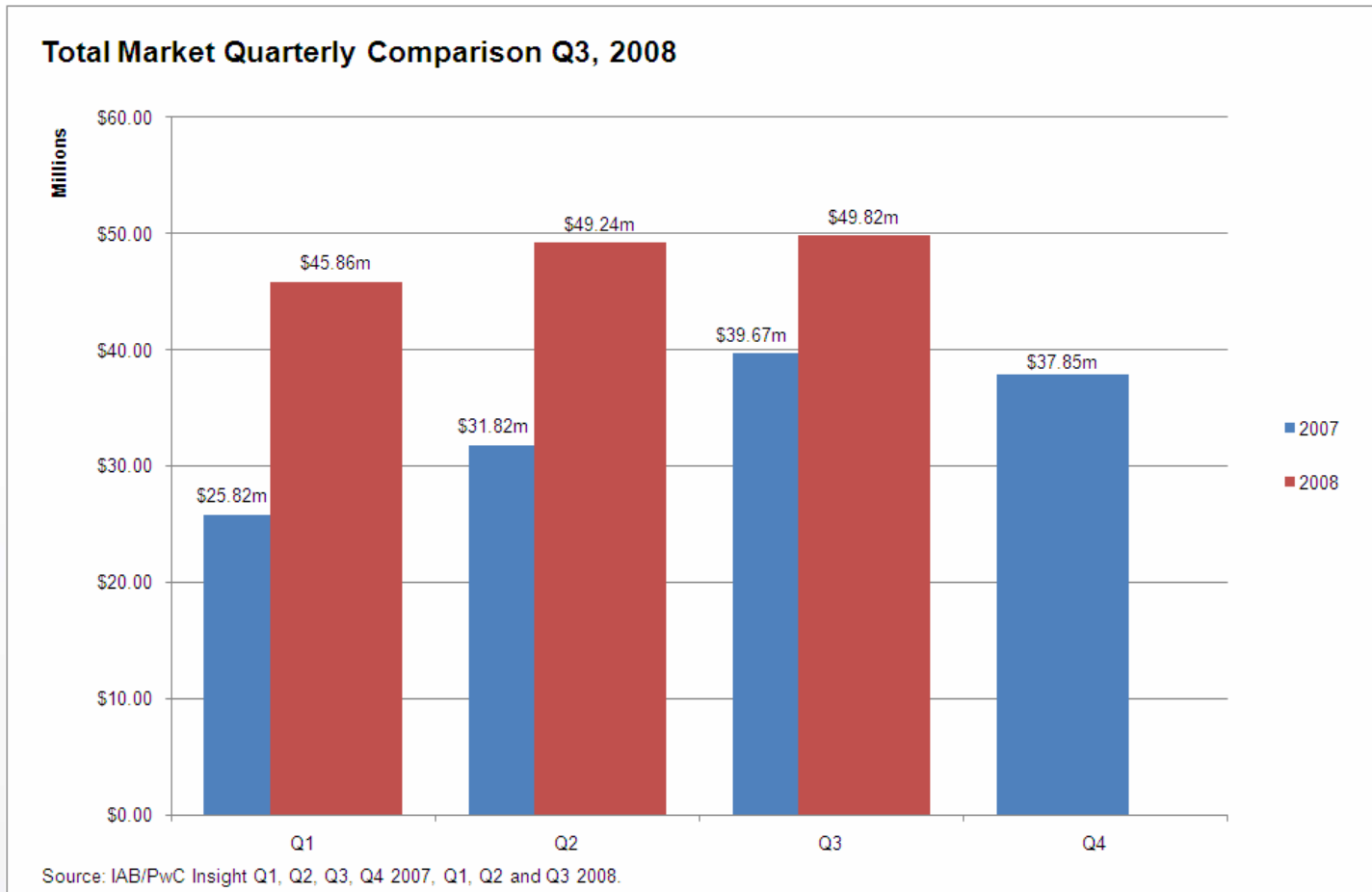
Up 34% from Q3, 2007 (\$10.12m)

Down 1.4% from Q2, 2008 (\$15.11m)



Total Market: \$49.82m

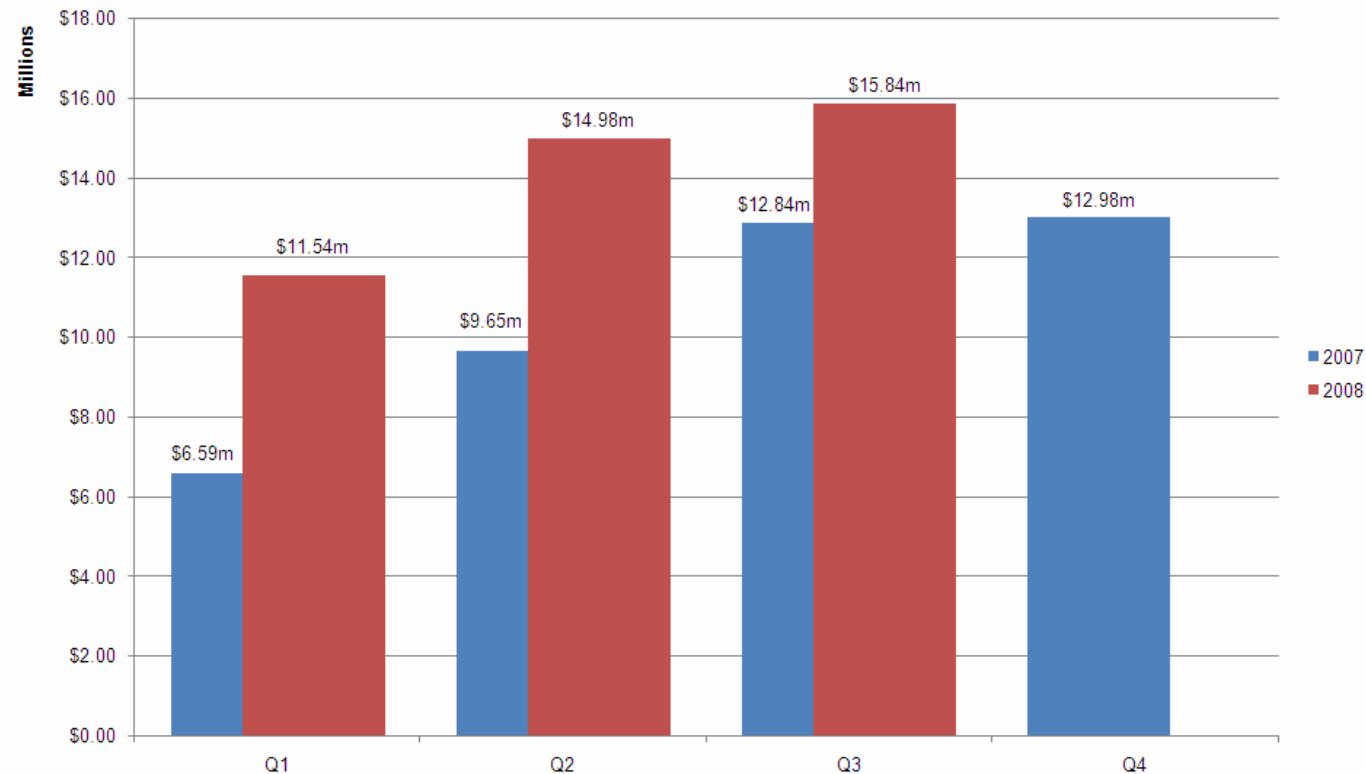
Up 22.32% from Q3, 2007 (\$39.67m)
Up 1.05% from Q2, 2008 (\$49.24m)



Display Advertising: \$15.84m

Up 24.0% from Q3, 2007 (\$12.84m)
Up 5.45% from Q2, 2008 (\$14.98m)

Display Advertising Expenditure Quarterly Comparison Q3, 2008



Source: IAB/PwC Insight Q1, Q2, Q3, Q4 2007, Q1, Q2 and Q3 2008.

Display Advertising by Industry Category

Key display categories showing an increase in their percentage share this quarter included:

- Investment, Finance and Banking (up 9.6%)
- Telecommunications (up 33.2%)
- Leisure, Entertainment and Media (up 8.8%)
- Computers (up 26.8%)

There were significant – and likely seasonal declines for:

- Government Departments (down 28.2%)
- Travel and Accommodation (down 12.4%)

Display Advertising Expenditure's Quarterly History by Industry Category - Detail Table

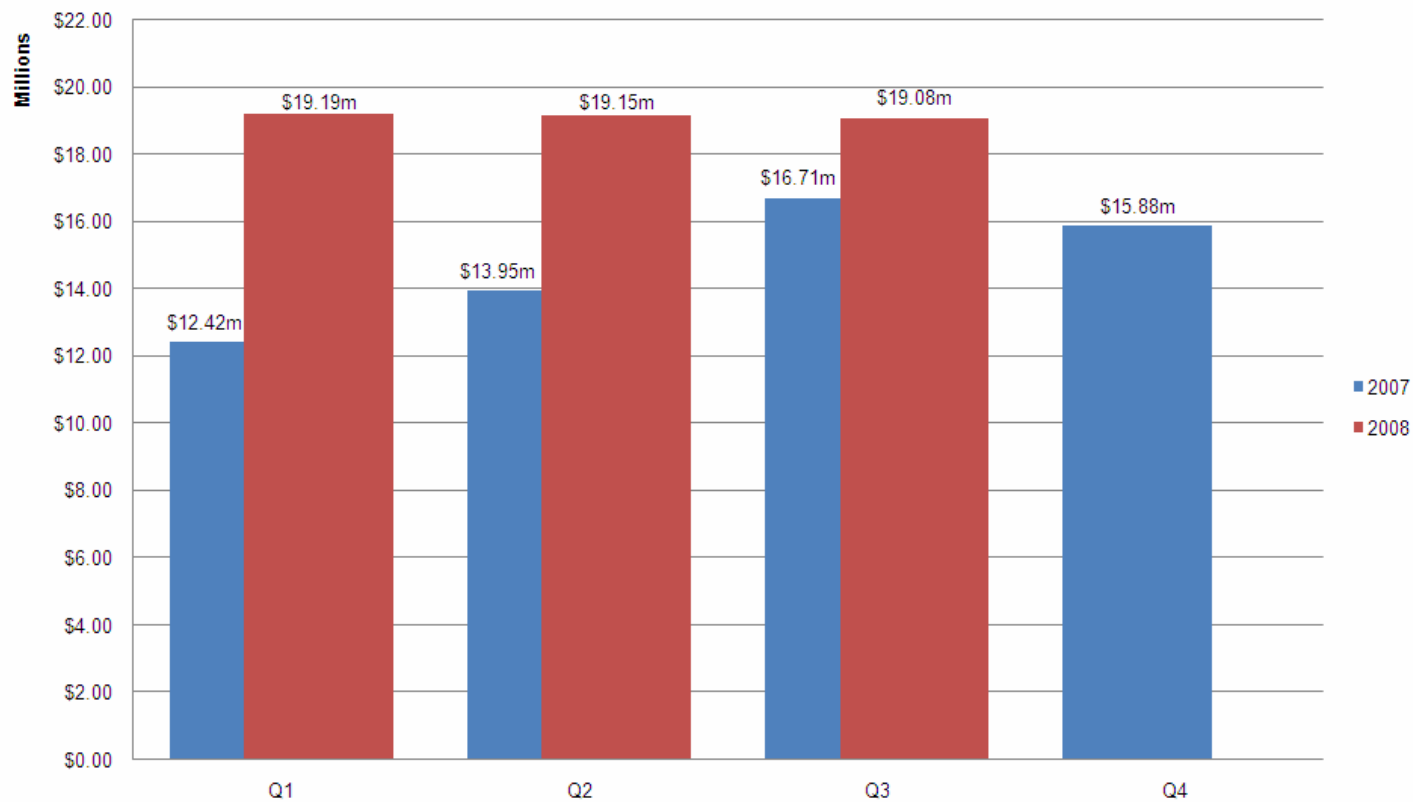
Advertiser Industry Category	Q1-07	Q2-07	Q3-07	Q4-07	Q1-08	Q2-08	Q3-08
Investment, Finance and Banking	12.80%	12.64%	16.71%	14.94%	16.14%	14.42%	15.81%
Telecommunication	6.79%	7.59%	11.04%	12.51%	8.94%	10.81%	14.40%
Travel and Accommodation	7.02%	8.25%	10.36%	10.11%	13.01%	14.90%	13.06%
Government Departments	8.82%	9.12%	8.44%	11.63%	11.10%	14.21%	10.21%
Leisure, Entertainment and Media	8.46%	7.34%	12.83%	10.12%	11.55%	8.97%	9.76%
Automotive	5.23%	6.13%	7.58%	7.50%	8.90%	8.47%	8.50%
Computers	4.09%	5.23%	5.61%	4.63%	2.57%	3.81%	4.83%
Food and Beverages	2.52%	3.37%	3.54%	5.55%	6.44%	6.49%	4.79%
Business Services and Office Products	2.67%	4.32%	4.62%	3.58%	5.46%	5.12%	4.09%
Health, Beauty and Pharmaceuticals	2.98%	2.90%	4.75%	5.23%	5.06%	2.81%	3.35%
Other	2.17%	2.03%	4.89%	3.78%	3.34%	2.59%	3.22%
Retail	2.04%	3.19%	4.41%	4.47%	2.62%	2.35%	3.10%
Insurance	1.61%	1.63%	2.95%	1.83%	1.85%	1.97%	1.85%
Home and Garden	0.87%	1.07%	0.99%	2.19%	1.20%	2.00%	1.62%
Real Estate	3.37%	1.73%	1.29%	1.94%	1.82%	1.09%	1.42%

Source: IAB/PwC Insight Q1, Q2, Q3, Q4 2007, Q1, Q2 and Q3 2008.

Classified: \$19.08m

Up 13.99% from Q3, 2007 (\$16.71m)
Down 0.47% from Q2, 2008 (\$19.15m)

Classified Advertising Expenditure Quarterly Comparison Q3, 2008

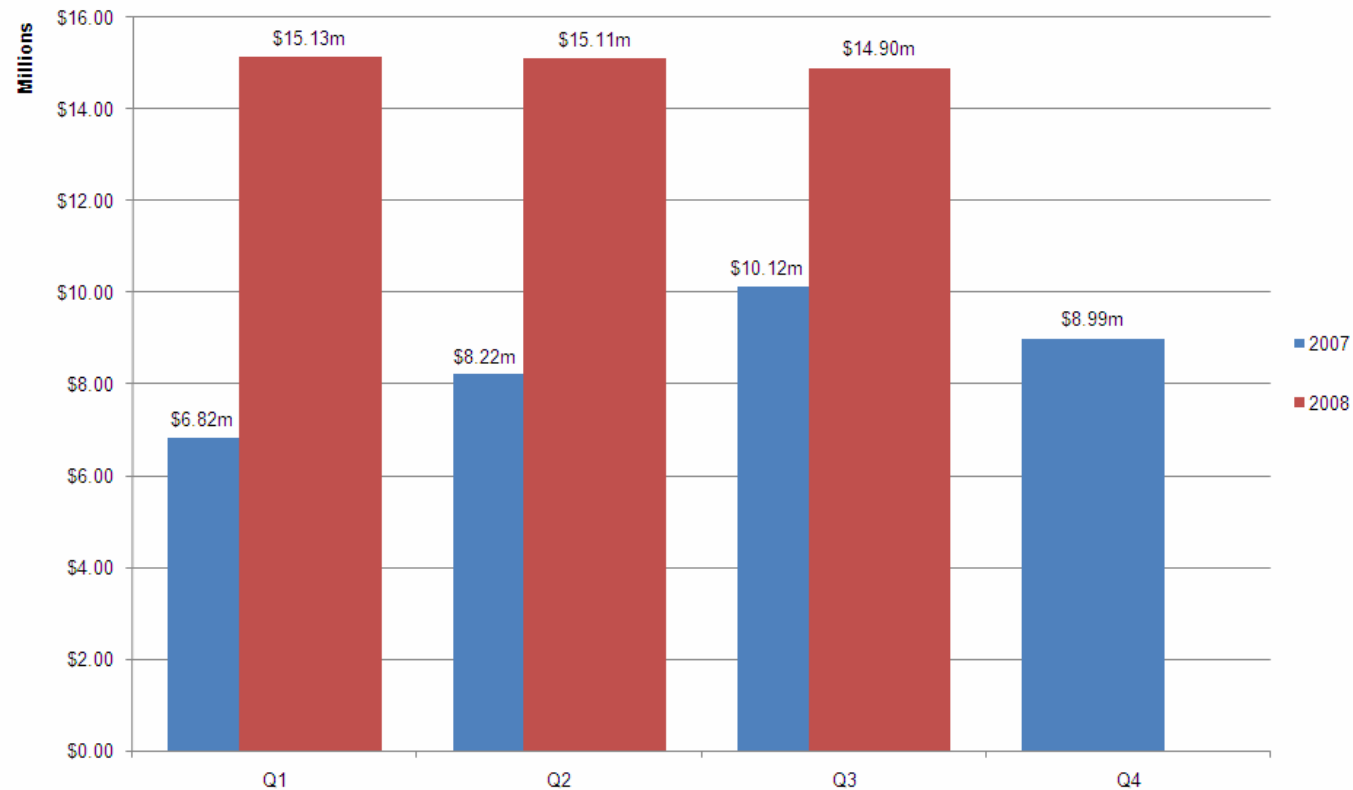


Source: IAB/PwC Insight Q1, Q2, Q3, Q4 2007, Q1, Q2 and Q3 2008.

Search & Directories: \$14.90m

Up 34.38% from Q3, 2007 (\$10.12m)
Down 1.39% from Q2, 2008 (\$15.11m)

Search & Directories Advertising Expenditure Quarterly Comparison Q3, 2008



Source: IAB/PwC Insight Q1, Q2, Q3, Q4 2007, Q1, Q2 and Q3 2008.