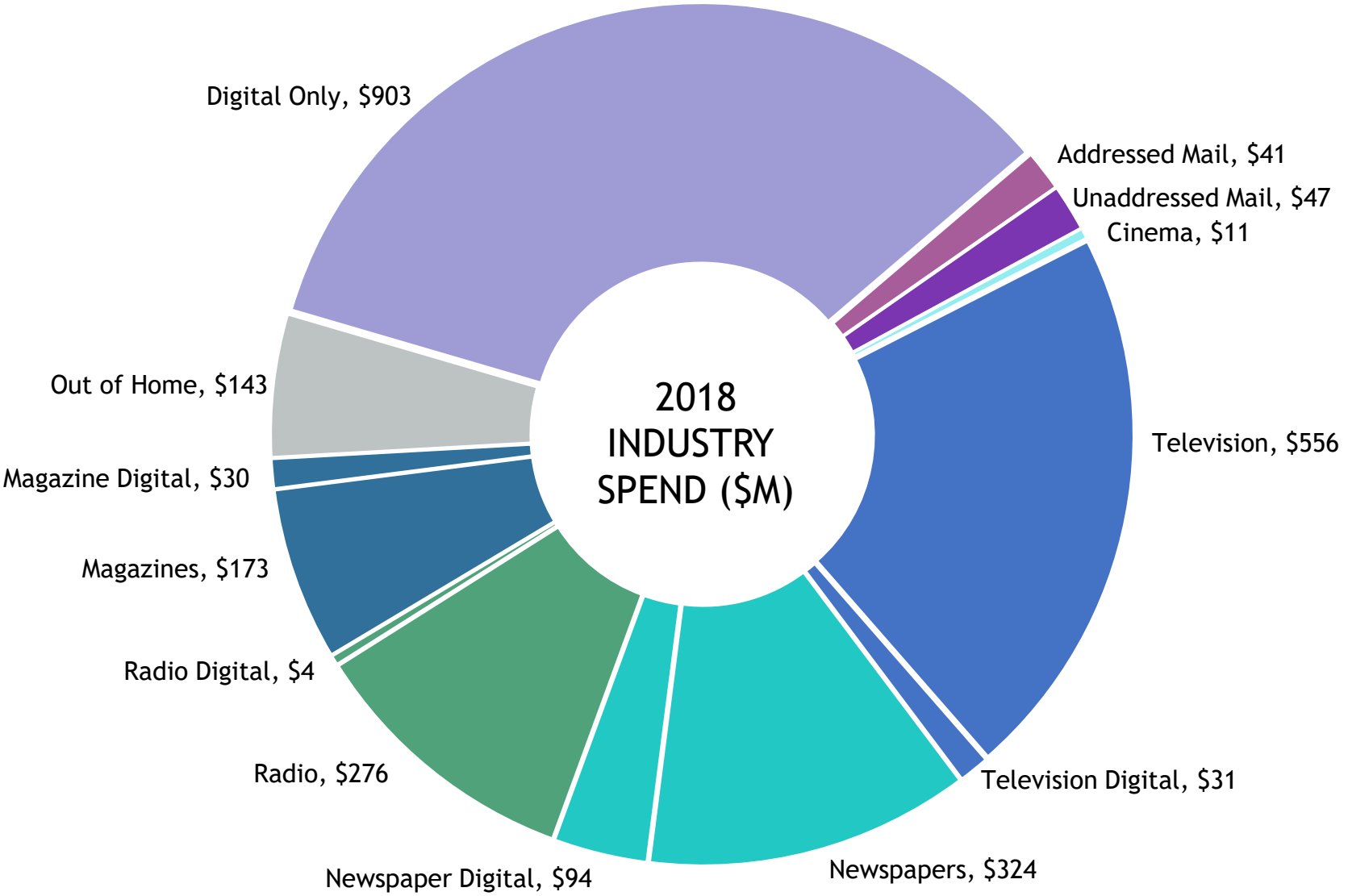


NEW ZEALAND ADVERTISING INDUSTRY

REVENUE REPORT 2018



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Addressed Mail

Definition: This figure is an estimate based on the cost of delivery only. It does not include production or associated costs.

Methodology: Using New Zealand Post's own volume, entered into Lodgement Manager by customers, and weighted average unit rate to produce the final market revenue estimation. The figure is sourced solely from New Zealand Post and includes lodged mail only into NZ Posts Network. NOTE: In 2017, New Zealand Post reported advertising revenue of \$54m. In error, this number included GST. The correct total for advertising revenue in 2017 was \$47m.

Cinema

Definition: Cash revenue, including agency commission, from the two major companies involved in cinema advertising in New Zealand.

Methodology: Data collected and supplied by companies involved in New Zealand cinema advertising.

Digital Only

Definition: Interactive advertising is advertising viewed on any screen via an internet connection, 3G, 4G or Wifi. The expenditure figure is based on gross amounts charged to advertisers and inclusive of any applicable agency commissions. The 2018 figures include Display Advertising which includes banners, skyscrapers, rich-media, streaming advertising, email, online video and other forms of interactive Display advertising; Classifieds, which includes revenues from ads placed to buy or sell an item or service and Search & Directories Advertising which includes revenues from online Directories and search engine listings and Mobile. Social Media Advertising revenue reported reflects vendor-based Agency bookings reported by the Standard Media Index (SMI) for the year. - this amount does not include advertisements booked directly with social networking websites by advertising brands. Google revenue is based on estimated New Zealand share of Google total global advertising revenue.

Methodology: The figures are supplied via Staples Rodway, an independent auditor on behalf of the Interactive Advertising Bureau (IAB NZ). For further info visit www.iab.org.nz. Note: In 2017, the IABNZ changed the collection and formatting methodology of its report and as such the new report is unable to reflect year-on-year variances.

Magazines

Definition: Magazine media advertising turnover is the total of all combined commercial (non circulation) revenue across all publications/platforms (print, digital, email newsletters, social platforms, experiential, one shot brand extensions, video and other) Advertising turnover includes all advertiser funded activity and agency commissions, irrespective of platform (e.g. print, digital, email newsletters, social platforms, experiential, one shot brand extensions, video and other). All revenue figures are exclusive of GST.

Methodology: Data collected and supplied by the MPA. Advertising turnover has been collected from the majority of members of the Magazine Publishers Association (MPA). For some MPA member and non-member publications, an estimate has been made. The figure does not include revenue from classified advertising nor does it include revenue from NIM's - Newspaper Inserted Magazines.

Newspapers

Newspapers definition: This figure includes all advertising revenue, including agency commission, excluding GST from all daily, Sunday and community newspaper titles in New Zealand.

Methodology: The revenue includes display, retail, native, classified and insert advertising. The figures are sourced from the member newspapers of the Newspaper Publishers' Association of New Zealand and the Community Newspapers Association of New Zealand and include estimates for non-member newspapers.

Newspapers digital definition: This figure includes all advertising revenue, including agency commission, excluding GST from digital newspaper brands (apps and websites) in New Zealand.

Methodology: The figures are sourced from the member newspapers of the Newspaper Publishers' Association of New Zealand and the Community Newspapers Association of New Zealand and include estimates for non-member newspapers.

Out of Home

Definition: Cash revenue, including agency commission, excluding production, installation and GST from members of the Outdoor Media Association of NZ (OMANZ) and Advantage Media, ETC Media, Bacbou, Bounce, Attention Seekers, Go Media, Phantom Billstickers and Adzup.

Methodology: The revenue data is independently collected for OMANZ and actual returns are supplied to the ASA from the listed companies involved in outdoor or ambient advertising.

Radio

Definition: All cash revenue including digital, with agency commission, from members of the Radio Broadcasters Association (RBA), plus an estimate for non-RBA members based on direct industry knowledge and projections based on market share.

Methodology: Data collected and supplied by the Radio Broadcasters Association.

Television

Definition: Cash revenue (including agency commission) from on-air and online television video advertising.

Methodology: Actual free-to-air and pay television returns are collected by PwC on behalf of ThinkTV. Online television video returns are collected by ThinkTV.

Unaddressed Mail

Definition: All cash revenue drawn from the cost of delivery. This total represents 95 % of the unaddressed mail advertising revenue in New Zealand.

Methodology: Data collected and supplied by Reach Media and Ovato.

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	\$m	% of total
Television	\$556	21.12%
Television Digital	\$31	1.18%
TOTAL TELEVISION	\$587	22.29%
Newspapers	\$324	12.31%
Newspaper Digital	\$94	3.57%
TOTAL NEWSPAPERS	\$418	15.88%
Radio	\$276	10.48%
Radio Digital	\$4	0.15%
TOTAL RADIO	\$280	10.63%
Magazines	\$173	6.57%
Magazine Digital	\$30	1.14%
TOTAL MAGAZINES	\$203	7.71%
OUT OF HOME	\$143	5.43%
Digital Only	\$903	34.30%
Digital Other*	\$159	6.04%
TOTAL DIGITAL	\$1,062	40.33%
ADDRESSED MAIL	\$41	1.56%
UNADDRESSED MAIL	\$47	1.79%
CINEMA	\$11	0.42%
TOTAL	\$2,633	100.00%

*Note Digital Revenue for Magazines, Newspapers, Radio, Television is recorded twice in this table – in each sector and in Digital Other. It is included once in the total revenue.