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News Release

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BOOM IN AUSSIE CONFIDENCE DESPITE DIMINISHING GLOBAL OUTLOOK

Rising Aussie confidence bucking the trend of other developed markets with the strongest perceptions of job prospects, personal finances and willingness to spend in two years

October 27, 2010, Sydney: The latest findings from Nielsen's Global Online Consumer Survey for the third quarter (September 2010) shows that Australian consumer confidence has increased and reflects the strongest outlook consumers have had in over two years for job prospects, personal finances and the ability to buy things that they need and want over the next 12 months. Australia is the third most confident market globally boasting a Consumer Confidence Index score of 115 – behind only India (129) and Thailand (117) and tied with Indonesia; and a significant 25 points higher than the global average of 90 (*refer to Chart 1*).

According to the Nielsen Survey, an overwhelming 74 percent of Australians said their perception of local job prospects over the next 12 months was excellent or good; 70 percent believed that the state of their personal finances was positive; and 59 percent (the highest score globally) claimed the next 12 months was an excellent or good time to buy the things they want and need.

The results are consistent with the latest RBA information which shows a continued rise in Australia's employment growth – fuelling a strong labour market and underpinning household income. The economy has also benefited from expansion over the first half of 2010 with Australian GDP growth forecast to be around 3¼ percent for the year – a result of rising commodity prices, increased public investment and a growing population.

The optimistic outlook for the year ahead among Aussie consumers is in contrast to most other developed markets, with 20 of the 53 markets participating in the Nielsen Global Online Consumer Survey experiencing a decline in confidence in the latest quarter. After an upbeat start to the year with two consecutive quarters of increases in optimism, global consumer confidence fell three points

in September to an Index of 90 as consumers' hopes for a full economic recovery this year fades in most parts of the world.

"There simply hasn't been enough consistent and positive news to sustain the positive outlook and momentum that consumers showed at the start of this year," said Dr. Venkatesh Bala, Chief Economist at The Cambridge Group, a part of The Nielsen Company. "The reversal of global consumer confidence in the third quarter highlights the fragility and uncertainty of the current global economy, its ongoing vulnerability to macroeconomic shocks, and finally, the divergence in the pace of recovery among international markets and regions."

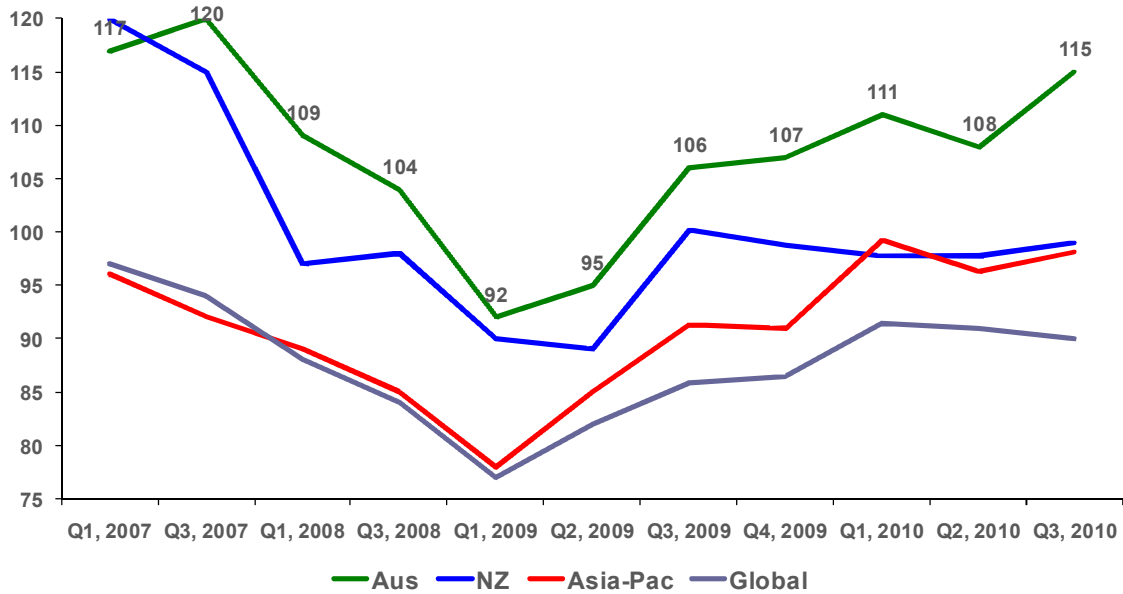
Despite the positive outlook among Australians for the year ahead, some cautionary behaviour is still evident with almost half of all consumers channeling their spare cash into savings (47%), and 40 percent using surplus cash to pay off debts, credit cards and loans. In addition, the majority of consumers said to be actively curbing their household expenditure by trying to save on gas and electricity; cutting back on take-away meals, new clothes purchases and out-of-home entertainment; and making the switch to cheaper grocery brands (*refer to Charts 2 and 3*).

"While it is encouraging to see that Australia is currently the most optimistic developed market in the world, we can't lose sight of the fact that we are still part of an uncertain and vulnerable global economy," said Chris Percy, Managing Director – Pacific, Nielsen Consumer Group.

"A strong labour market and perceived financial position may be driving up our confidence, but in reality we are still seeing a rise in the debt-to-household income ratio; there is continued focus on saving and managing our debt levels; and we are actively looking at ways to make our spare dollars go further."

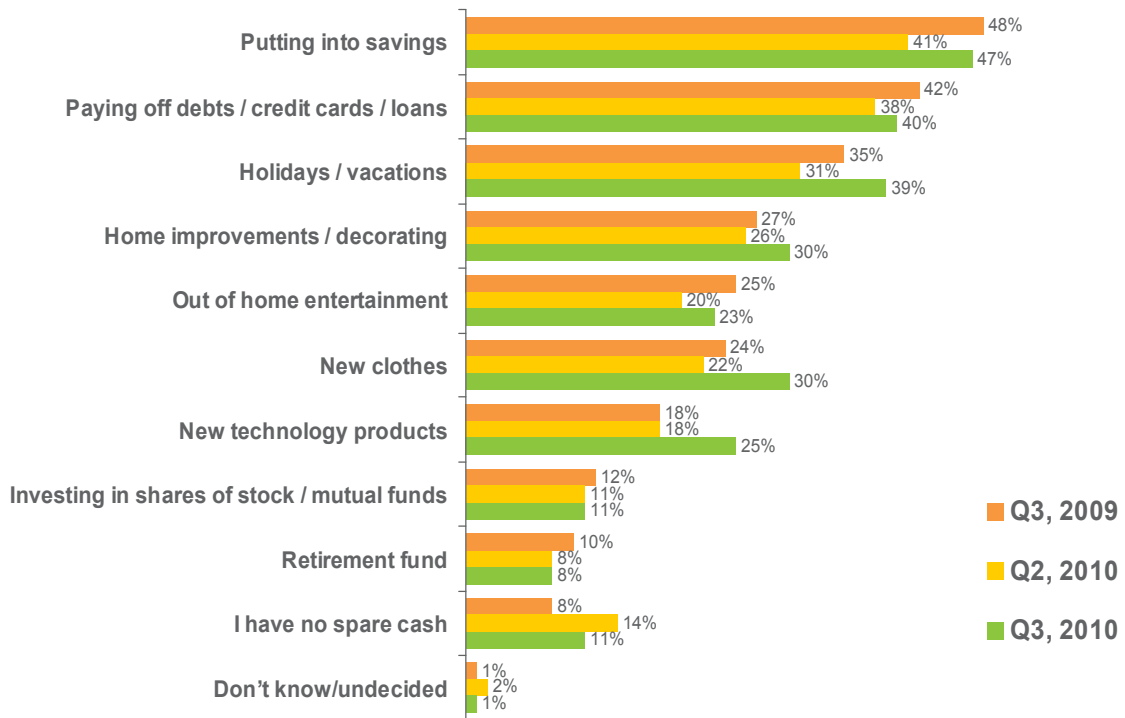
"Sales in the Australian retail sector are flattening, grocery basket values are down by five percent on a year ago, and we are seeing significant price compression in store. In order to drive growth, retail strategies need to be adapted to meet the needs of the changing shopper landscape; while store segmentation, range and promotion targeting is key to maximizing sales," commented Percy.

Chart 1: Trended Consumer Confidence Index (Base: All respondents)



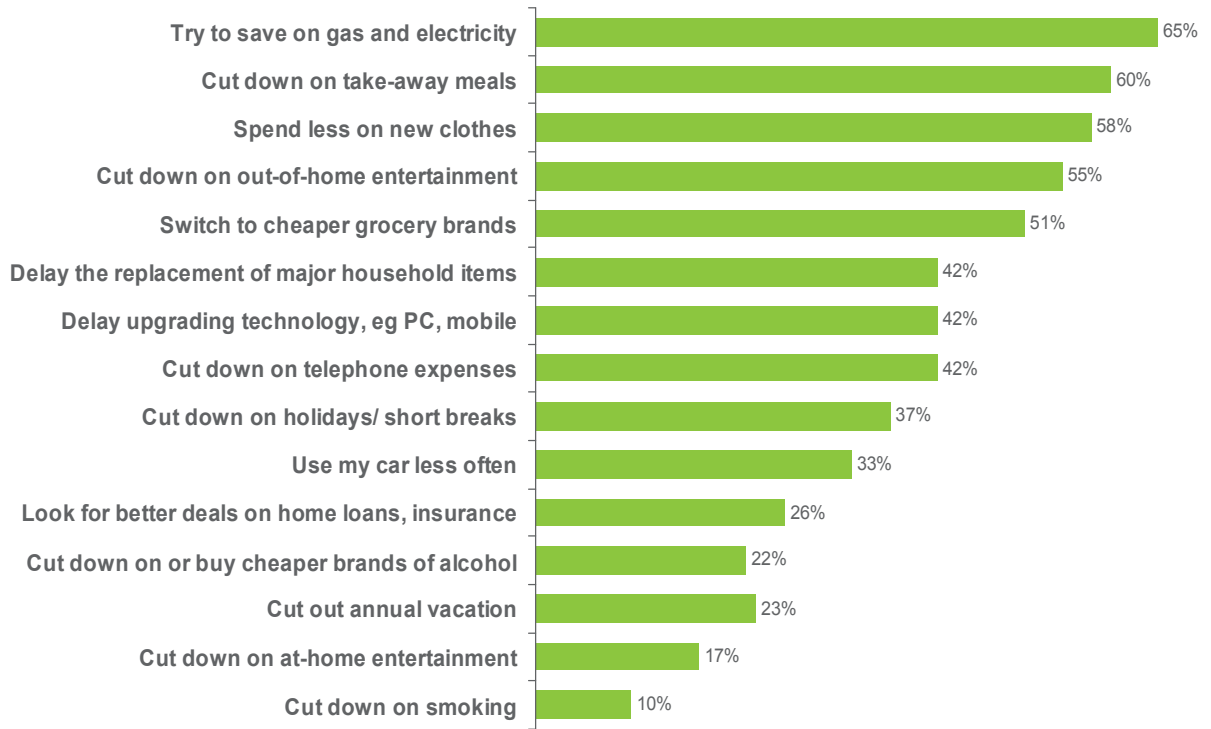
Source: Nielsen Global Online Consumer Survey, Q3 (September) 2010

Chart 2: How do you utilise your spare cash after covering essential living expenses? (Australian average)



Source: Nielsen Global Online Consumer Survey, Q3 2010

Chart 3: Compared to this time last year, which of the following actions have you taken in order to save on household expenditure? (Australian average)



Source: Nielsen Global Online Consumer Survey, Q3 2010

About the Nielsen Global Consumer Confidence Survey

The Nielsen Global Consumer Confidence Survey was conducted between September 3 and September 21, 2010 and polled over 26,000 consumers in 53 countries throughout Asia Pacific, Europe, Latin America, the Middle East, Africa and North America about their confidence levels and economic outlook. The Nielsen Consumer Confidence Index is developed based on consumers' confidence in the job market, status of their personal finances and readiness to spend. The sample has quotas based on age and sex for each country based on their Internet users, and is weighted to be representative of Internet consumers and has a maximum margin of error of ±0.6%.

About The Nielsen Company

The Nielsen Company is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related assets. The privately held company has a presence in approximately 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com.

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