

News Release

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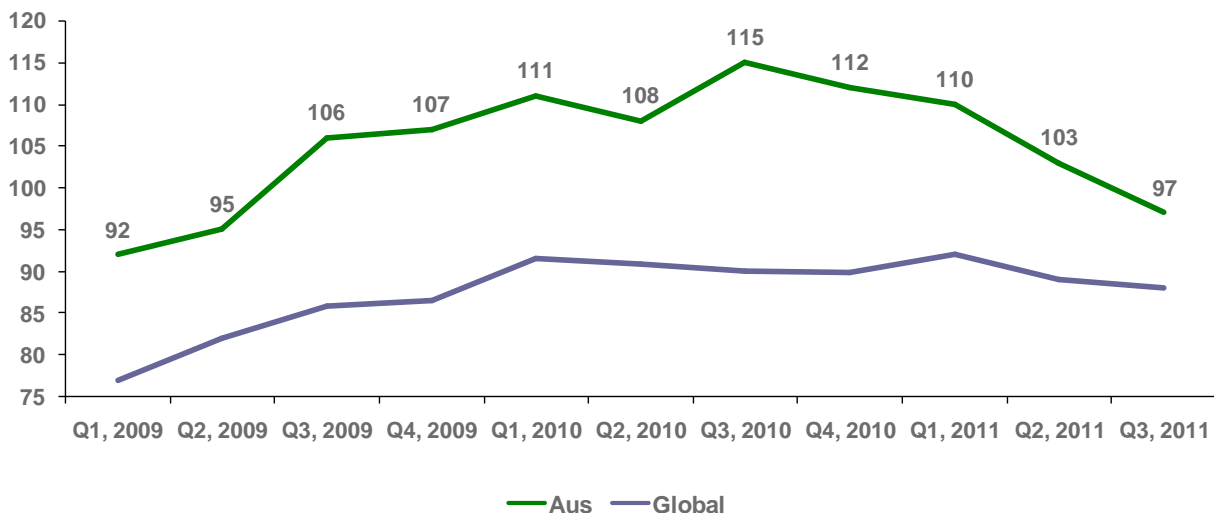
A YEAR OF DECLINE: AUSTRALIAN CONSUMER CONFIDENCE FALLS FOR FOURTH SUCCESSIVE QUARTER

- *The economy re-emerges as a top concern for consumers*
- *Perceptions of local job prospects over the next 12 months worsen*
 - *Consumers still stashing their cash*

SYDNEY, Australia: November 10, 2011—According to third quarter global online consumer confidence findings from Nielsen, a leading global provider of insights and analytics into what consumers watch and buy, Australian consumer confidence slipped a further six points on the previous quarter’s (July) score of 103, to reach an index of 97, dropping below the neutral 100 mark for the first-time since early 2009.

Australia’s index, however, remains nine points above the global average index of 88 (Chart 1). With Australian consumer confidence now in steady decline for a year, Aussies are pessimistic about the health of their country’s economy.

Chart 1: Nielsen Consumer Confidence Index Trended



Source: Nielsen Global Online Consumer Survey, Q3-2011

Chris Percy, managing director, Pacific, Nielsen Consumer Group said: “The third quarter was one of volatility and stock market uncertainty as global financial markets plunged on the back of the US credit downgrade and fears over the worsening European sovereign debt crisis. Unfortunately, Australia has not been immune to what’s happening to rest the world, and the result has been a further weakening in both business and consumer confidence.

“A recessionary mindset is growing among consumers, as just over a third of consumers (34%) now believe that Australia is in recession—up seven percentage points on the last quarter and 14 points from the start of year.

“As we move into the final months of the year, the much-anticipated recent rate cut by the Reserve Bank—the first cut in more than two-and-half years—should bolster the economy and boost consumer spending in the run up to Christmas, which will be very welcome news for Australian retailers which, up until now, had been forecasting a soft end to what’s already been a difficult trading year.”

Economic Jitters

For just over a quarter (27%) of consumers, the economy re-emerged as one of the top concerns for Australians. This trend is echoed globally where one-in-four householders nominated the economy as their top concern.

Utility bills also remain a top concern—more than one-in-three householders cited this as their biggest worry.

The majority of consumers (57%) agree that now is not a good time to buy the things they want and need. Job prospects over the next 12 months are also softer, with just under half (45%) of consumers believing that job prospects are not good, an increase of 12 percentage points on the previous quarter.

Cash is King

One-in-every-two Australians is now putting any spare cash into savings, an indication that Aussies are still feeling cash-strapped as the rising cost of living continues to pinch household budgets. This is an increase of three percentage points on the last quarter, and is on par with the same period last year, but remarkably, it is the lowest savings percentage recorded in Asia Pacific.

As in the previous quarter’s findings, nearly a fifth (17%) of consumers have no spare cash after covering essential living expenses, an increase of six percentage points compared to the same period last year.

About the Nielsen Global Online Survey

The Nielsen Global Online Survey was conducted between August 30 and September 16, 2011 and polled more than 28,000 consumers in 56 countries throughout Asia Pacific, Europe, Latin America, the Middle East, Africa and North America. The Survey tracks consumer confidence, major concerns and spending intentions among more than 28,000 Internet consumers. Consumer confidence levels above and below a baseline of 100 indicate degrees of optimism and pessimism.

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 $\pm 0.6\%$. This Nielsen survey is based on the behaviour of respondents with online access only. Internet penetration rates vary by country. Nielsen uses a minimum reporting standard of 60 percent Internet penetration or 10M online population for survey inclusion. The Nielsen Global Online Survey, which includes the Global Online Consumer Confidence Survey, was established in 2005.

About Nielsen

Nielsen Holdings N.V. (NYSE: NLSN) 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 properties. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands. For more information, visit www.nielsen.com.

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