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News Release

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FOR IMMEDIATE RELEASE

AUSSIES SWITCH TO SPENDING MODE AS JOB PROSPECTS SOAR

*Confidence levels high, local job prospects improving and concerns around job security decline.
Australians' perception of local job prospects strongest among OECD countries – up 32 percentage
points in six months.*

*One in two Aussies say it is a good time to buy over the next 12 months – most optimistic globally
Increasing utility bills now our #1 concern – up 10 percentage points in six months.*

January 22, 2010, Sydney: According to the latest research from Nielsen, Australian consumers' perception of the local job market has boomed with 65 percent saying conditions were favourable for the year ahead – a massive increase of 32 percentage points compared to six months ago in June 2009 (*refer to Chart 1*). These are the latest results from Nielsen's Online Consumer Survey which tracks consumer confidence, major concerns and spending habits, and was conducted among more than 17,500 Internet users in 29 markets between December 4 -18, 2009.

Among the 29 markets in the survey, Australia's positive view of the local job market for the quarter to December 2009 was the strongest among OECD countries and the fourth highest after fast-developing nations Indonesia, India and Brazil. Concerns around job security has also decreased dramatically with only 14 percent of respondents citing it is a major concern – a decrease of 10 percentage points from six months ago. This optimistic view of the Australian labour market is consistent with recent figures released by ANZ that show the number of jobs advertised in major newspapers and online rose by six percent in December, the strongest monthly growth in years.

The survey results also show that Australian confidence levels remain buoyant and the highest among the developed world with the local confidence index at 107 points (stable compared to 106 points in October), and 20 points above the global average of 87. Furthermore, Australia was the most optimistic among all 29 markets when it came to their spending outlook, with just over half (52%) saying it was a 'good' or 'excellent' time to buy what they want and need over the next 12 months.

"The latest round of results speaks volumes about our economic recovery. Aussies are gearing up to spend – confidence is high, local job prospects are looking up and concern around job security is decreasing. This turnaround has come relatively early in the economic recovery cycle compared to other developed markets – an indication of the softer downturn Australia has experienced over the past 18 months," said Chris Percy, Managing Director – Pacific, Nielsen Consumer Group.

But while confidence levels are holding, Australian consumers remain vigilant, with 42 percent putting any spare cash into savings and a further 38 percent of consumers channeling any surplus cash into paying off debts, credit cards and loans (*refer to Chart 2*).

"Despite our optimistic outlook, an underlying caution remains with the number of consumers heavily focussed on saving and debt recovery still outweighing those who will be channelling their spare cash into other discretionary purchases like holidays, renovations, new clothes and new technology," commented Percy

When it came to concerns, increasing utility bills was by far the biggest with 30 percent of Australian respondents citing it as a major concern over the next six months – up from 22 percent in October 2009, and the second highest globally after Poland (*refer to Chart 3*). Interestingly, given the recent utility price increases and media attention around the Government's proposed emissions trading scheme legislation, concern about the price increases in food and fuel was significantly lower in comparison (18% and 6% respectively).

More than half of consumers (57%) say they have already taken action to try and save on gas and electricity over the past year, and even when economic conditions improve, saving on gas and electricity came was the number one action cited to reduce household spending.

Chart 1: Perceptions of local job prospects over the next 12 months (Base: All respondents – Aus)

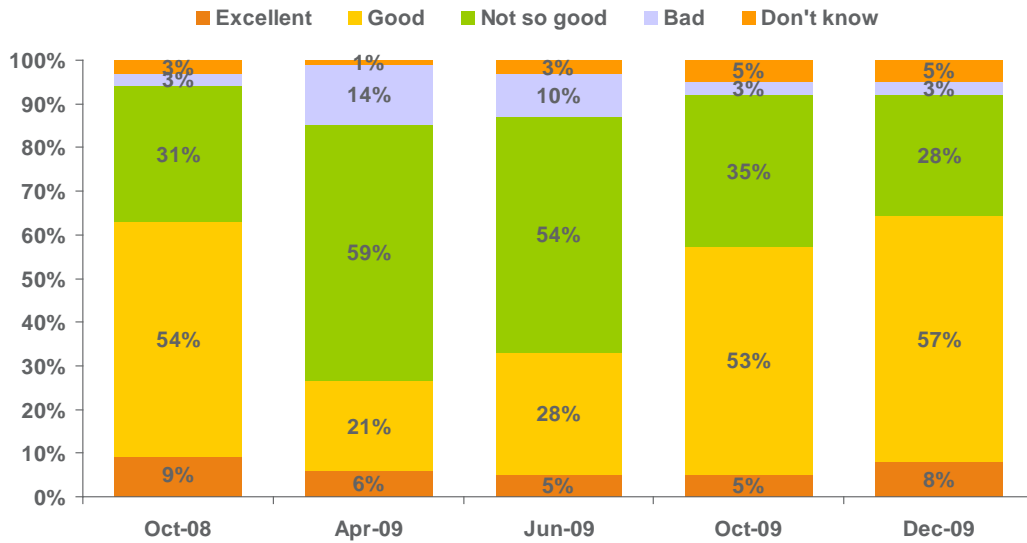


Chart 2: How spare cash is utilised after covering essential living expenses (Base: All respondents – Aus)

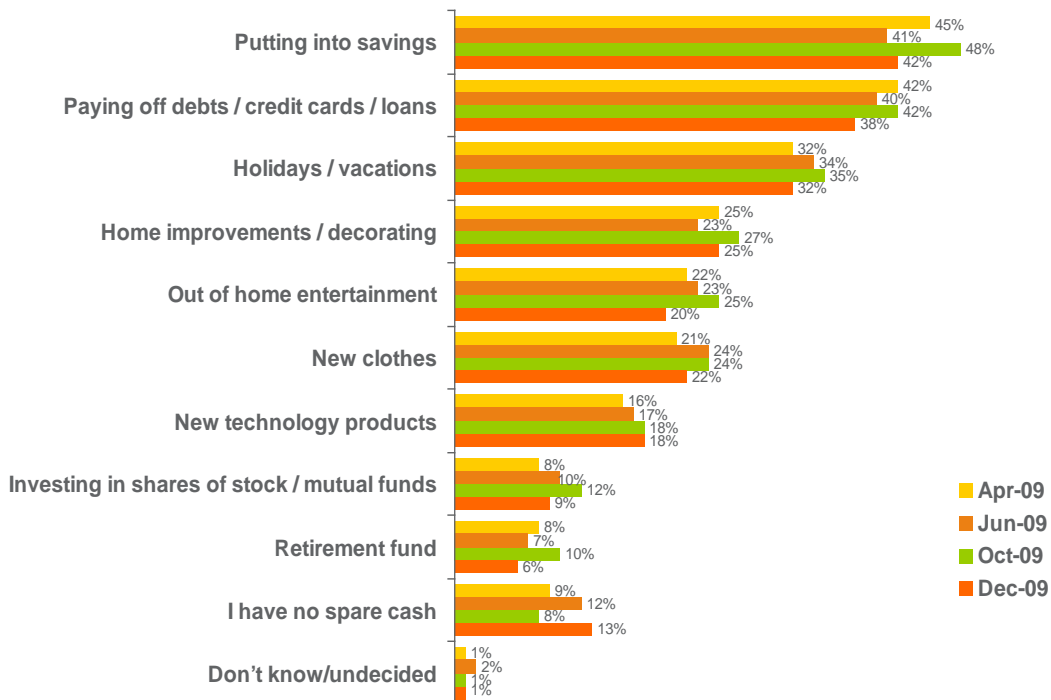
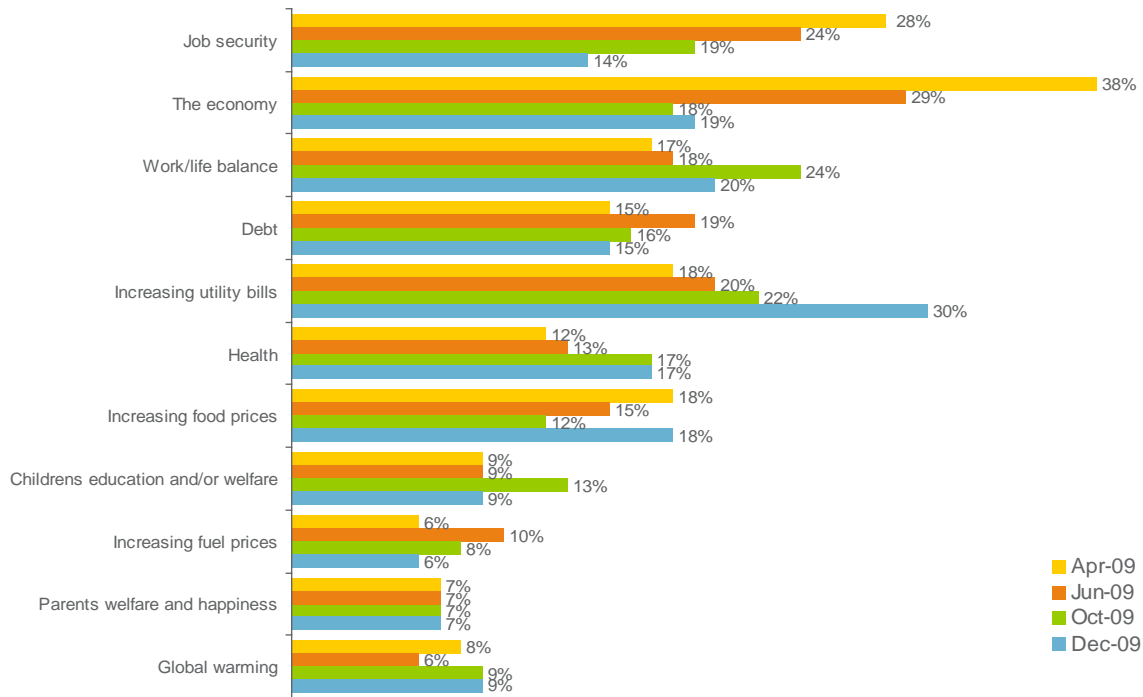


Chart 3: Major concern over the next six months (Base: All respondents – Aus)



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