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## News Release

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### GLOBAL CONSUMER CONFIDENCE FALLS TO RECORD LOW, AUSTRALIAN CONFIDENCE ON THE DECLINE

#### 37% OF AUSTRALIANS BELIEVE GLOBAL RECESSION IMMINENT

**Sydney, 3 June 2008:** Around one third of Australian online consumers (37%) believe a global recession is imminent, and Australian consumer confidence has slipped 11 points on the Nielsen Consumer Confidence Index, according to Nielsen's latest Global Consumer Confidence Survey which measures consumer confidence, major concerns and spending habits in 51<sup>1</sup> countries.

The latest Nielsen Consumer Confidence Index saw Australia drop to 109 points – down 11 points in the last six months. Globally, the Index recorded the largest single drop in the last three years, down six points. Australians' level of confidence now ranks eighth overall, down from fifth in November 2007.

“The last six months have been the most turbulent period for the global economy in several decades, with confidence levels in 16 of the countries surveyed by Nielsen falling by double-digits,” says Tim Rose, Director, Client Service, The Nielsen Company. “When the USA sneezed at the outset of the sub prime disaster nearly a year ago, Australia started to sniffle and much of the world quickly caught a cold. No region and no country have been spared the domino effect of the US sub-prime and credit crisis.”

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<sup>1</sup> **51 Markets Covered:** Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Malaysia, Mexico, Netherlands, New Zealand, Norway, Pakistan, Philippines, Poland, Portugal, Russia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, UAE, United Kingdom, US, Venezuela and Vietnam.

In Australia, several interest rate rises, rising inflation and increasing petrol prices left consumers unsteady after what has been a bullish market for several periods. Overall, however, Australian consumers are still amongst the most confident in the world, ranking eighth out of the 51 countries surveyed.

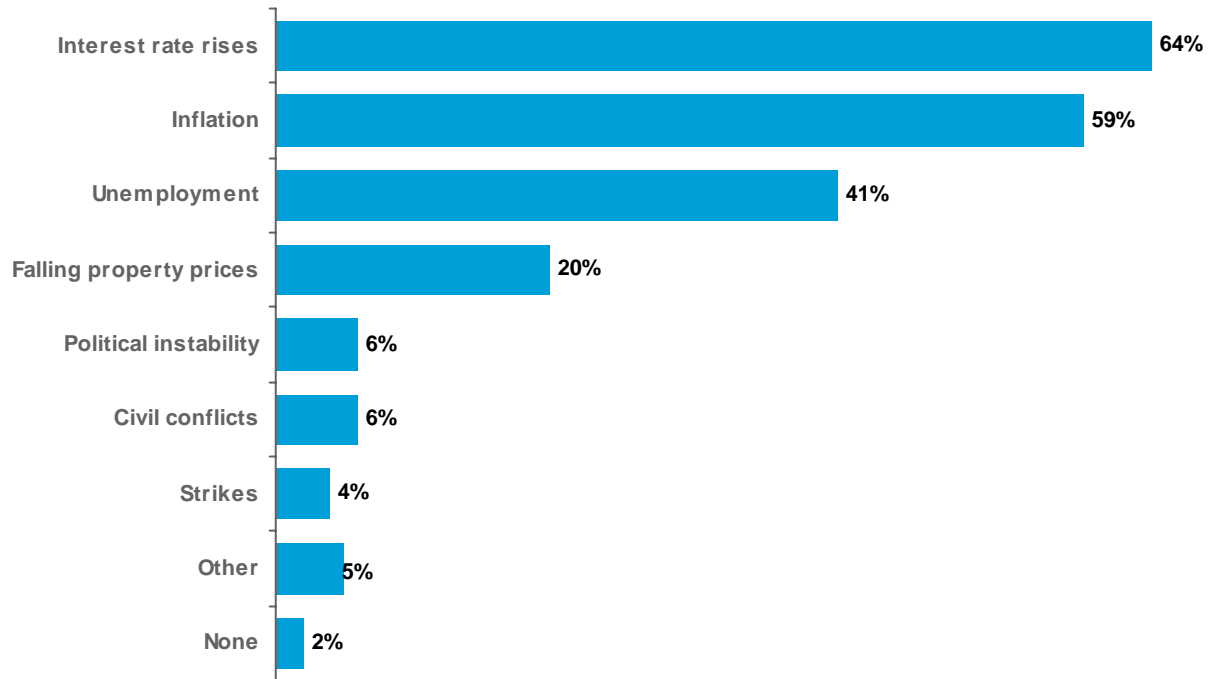
Around one third of Australians (37%) said they believed a global recession was likely within the next year, the tenth highest level globally. And should that belief become a reality, Australians showed their high levels of exposure to the impact of interest rates, with 64 percent saying interest rate rises were a major concern in times of economic slowdown – the second highest level of concern related to interest rates globally. This was followed by inflation and unemployment (59% and 41% respectively). (See Chart 1).

“Whilst it is still a great Australian dream to own a family home,” notes Rose. “The true price of home ownership becomes all too apparent for some when the economy takes a dip, and this is evident in the latest round of our survey results where the pinch of rises in petrol prices, inflation and of course interest rates, is taking its toll.”

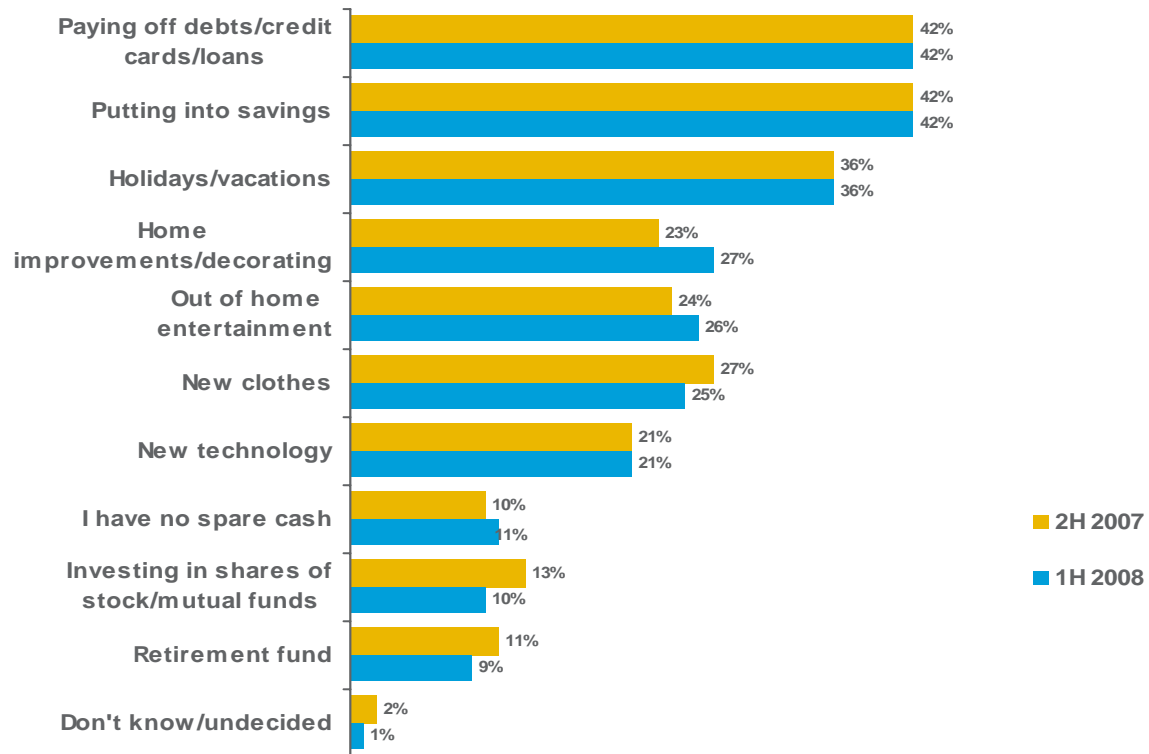
While ‘*credit crunch*’ became an unwelcome household term in the last year, consumer wages and pay packets have been stretched to the maximum like never before. In the latest Nielsen survey, 11 percent of Australians said they have no spare cash after their essentials have been purchased and their monthly bills have been paid. For those consumers who do have cash remaining, paying off credit cards and debt and putting money into savings were the main use of their cash (42% of all consumers). But Australians appeared to be giving themselves the occasional break from the harsh realities of everyday life, with the third highest use for surplus cash being put towards taking a holiday. (See Chart 2).

Interestingly, as Australians work harder than ever to balance their household budgets, concern for work/life balance ranked highest for Australian consumers along with the economy and debt, and ahead of health as major concerns in the next six months.

**Chart 1: What would concern you most, in the event of a downturn in your local economy (Australian average)?:**



**Chart 2: How do you utilise your spare cash after covering essential living expenses**





**About The Nielsen Global Online Consumer Survey**

The Nielsen Global Online Consumer Survey, conducted by Nielsen Customised Research, was conducted in April 2008 among 28,153 internet users in 51 markets from Europe, Asia Pacific, North America and the Middle East, including 500 individuals in Australia. The largest half-yearly survey of its kind, the Nielsen Global Online Consumer Confidence and Opinion Survey provides insight into current confidence levels, spending habits/intentions and the major concerns of consumers across the globe. The Nielsen Consumer Confidence Index is developed based on consumer's confidence in the job market, status of their personal finance and their readiness to spend.

**About The Nielsen Company**

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