



Consumers in Europe -
Job Prospects, Personal Finances, Spending
Intentions and Major Concerns 1st Half, 2005

Job Security
Spending Habits
Healthcare

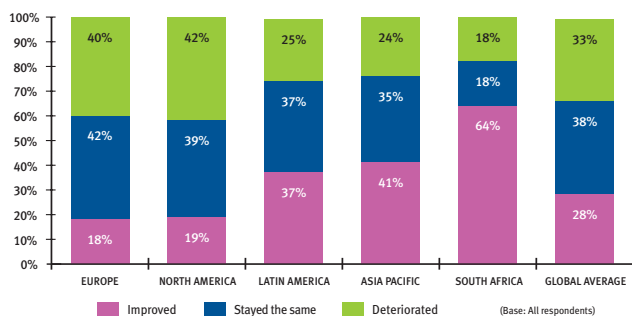


European consumers are in the doldrums while Asians are currently riding a wave of economic confidence.

- *North Americans maintain steady but cautious outlook.*
- *Consumers globally hold on tight to finances in light of uncertain economic times.*
- *Spending habits restrained in most parts of the world.*

Asian consumers are clearly the world's most optimistic, while the vast majority of Europeans remain firmly in the doldrums, according to the latest global online consumer confidence survey from ACNielsen.

Asia's buoyant outlook is driven by the emerging consumer powerhouses of China and India, the two largest and fastest growing consumer markets in the world today – while some of Europe's largest economies of France, Germany and Italy are struggling with negative (or flat) growth, increasing unemployment and pockets of political instability.



Global perceptions of local economic performance over the last six months.

The ACNielsen Online Consumer Confidence Survey, the largest twice-yearly global survey of its kind, is aimed at gauging consumers'

current confidence levels, spending habits/intentions and current major concerns. The survey, conducted in May 2005, polled over 21,100 respondents in 38 markets from Europe, Asia Pacific, North America, Latin America and Emerging Markets.

“Socially and economically, China and India continue to develop at an impressive rate when compared to the rest of the world. With economic growth rates of over eight percent per annum, Chinese and Indian consumers have greater spending power today than at any time in recent history. Both countries are booming, with employment opportunities, growing infrastructure investment and stable currencies,” said Frank Martell, CEO, ACNielsen Europe. “For the Chinese and Indians, life is good and can only get better.”

In stark contrast, most European consumers are dwelling on whether their economies could possibly get any worse – and recovery for most people is still far off. In a global top ten ranking of the world's most pessimistic nations, European nations accounted for seven.

“With the exception of Ireland, Russia and Norway, it is clear that Europe remains in the doldrums, and most consumers simply do not see a light at the end of the tunnel,” said Martell. Among the largest European economies of France, Italy, Spain and Germany, consumers believe things to have gotten worse in the last six months since the survey was last conducted, and recovery is even further away.

Looking back over the last six months, Norway, Denmark and Poland were the only European countries claiming to have seen a significant improvement in the economy – while looking



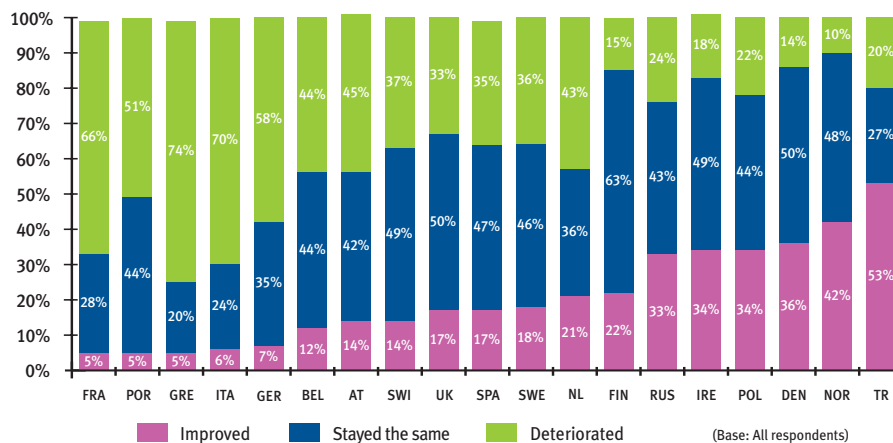
ahead into the next 12 months, around half the population of Russia, Ireland and Poland are expecting to see further improvements in their economic situation.

In contrast, consumers in Greece (54%), France (53%) and Italy are bracing themselves for an even tougher time ahead and further economic deterioration.

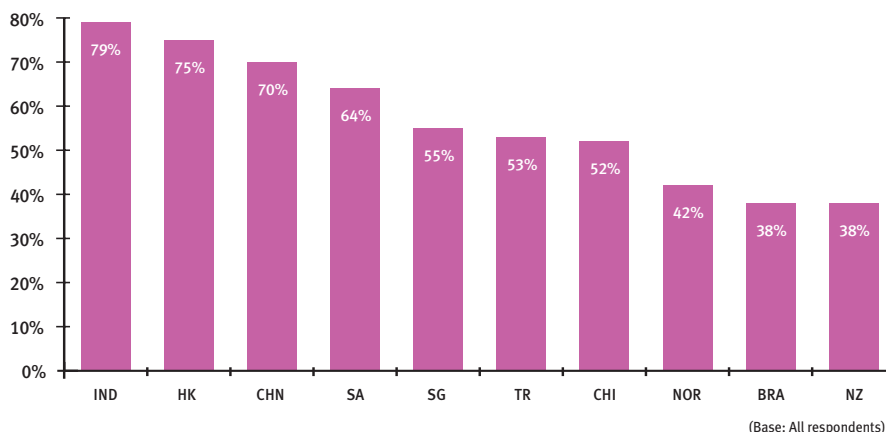
“Greece has been grappling with an under-performing economy for some years, and the short-lived Olympic boom has only served to

emphasise the country’s deep-seated economic problems such as double digit unemployment which continues to increase every quarter, accompanied by rising inflation rates.”

Looking ahead globally, it is the Indians, Chinese and Hong Kong consumers who are the world’s most optimistic, with up to 79 percent saying their economy had improved in the last six months, and as far as they are concerned, an even brighter future awaits them in the year ahead.



The Norwegians, Danish and Polish believe their economies to have improved over the past six months.



Perceptions of local economic performance over the last six months: top 10 ‘improved’.

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In Europe, the most confident and happiest consumers reside in Ireland, which tops the ACNielsen European Consumer Confidence Index. “Compared to the rest of Europe, Ireland is growing at a steady, buoyant pace and it has been enjoying healthy and sustainable growth for the past few years,” said Martell. “In contrast to most European countries, Ireland has exceptionally strong employment growth, controlled inflation,

rising personal income, stable public finances and healthy export growth. Their current contentment with life and their upbeat optimism for the future is clearly evident in this survey.”

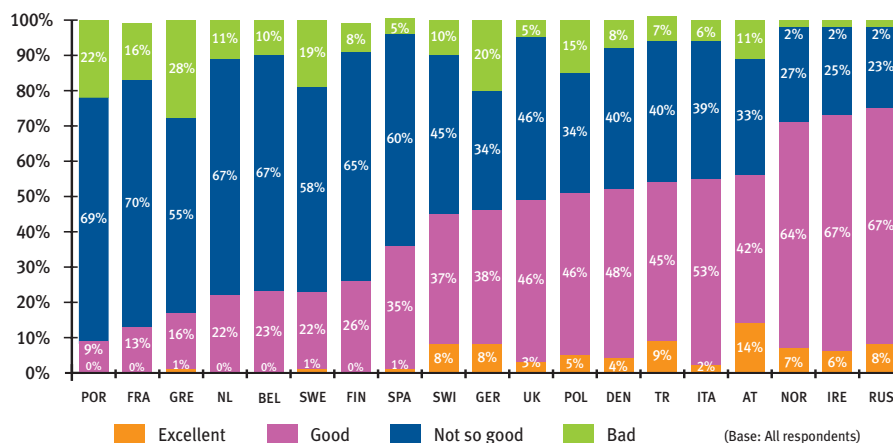
Job prospects for the next 12 months

With the exception of the Irish, Russians and Norwegians, the rest of Europe’s job prospects in the coming 12 months remains equally bleak.

ACNielsen Europe Consumer Confidence Index.

	Ireland: 113		Austria: 94		Germany: 85
	Russia: 112		Finland: 94		Sweden: 84
	Norway: 111		Switzerland: 93		Netherlands: 83
	Denmark: 107		Spain: 90		France: 80
	UK: 98		Belgium: 89		Greece: 67
	Poland: 95		Italy: 88		Portugal: 66

(Base: All respondents)



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Three quarters of Russians are positive about local job prospect, along with the Irish and Norwegians.



Twenty percent of Germans and 16% of French say job prospects in the next year look ‘bad’, in contrast to 67% of Irish and Russian consumers who believe job prospects to be ‘good’.

In North America, where economic performance surpassed expectations, growing 3.6 percent in the first quarter, half of respondents believed their job prospects for the next twelve months to be ‘good’.

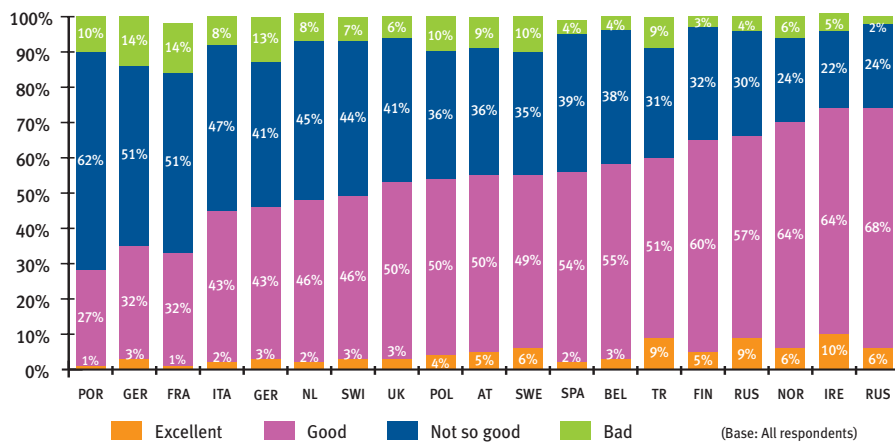
Personal finances

Interestingly, consumers in every part of the world agree on two things. While half the world’s consumers describe their current and future state of personal finances as ‘good’,

they also say that now is NOT the time to spend money on things they want to buy.

“Globally, consumers are still very cautious about economic volatility and appear quite prepared for sudden changes of circumstances. Right now, they are reluctant to go on any major spending sprees,” said Martell.

Even in the world’s booming economies of China and India, the average person is still putting their new and hard earned cash into savings. The global exception to this rule are the Danish (6%) and Norwegians (8%) who believe that now is an ‘excellent’ time to buy the things they want.



The Irish, Danish and Norwegians are most positive about their personal finances over the next 12 months.

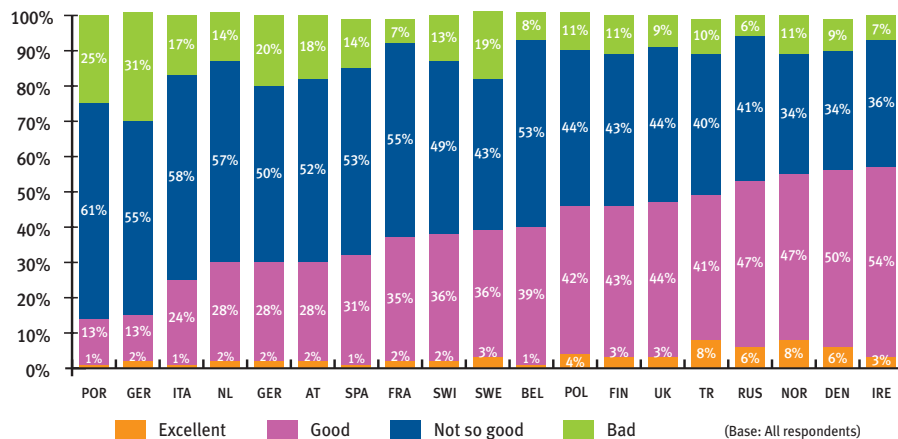
Spending intentions

When it comes to how we spend our spare cash (after basic living expenses are accounted for) distinct regional spending patterns emerge.

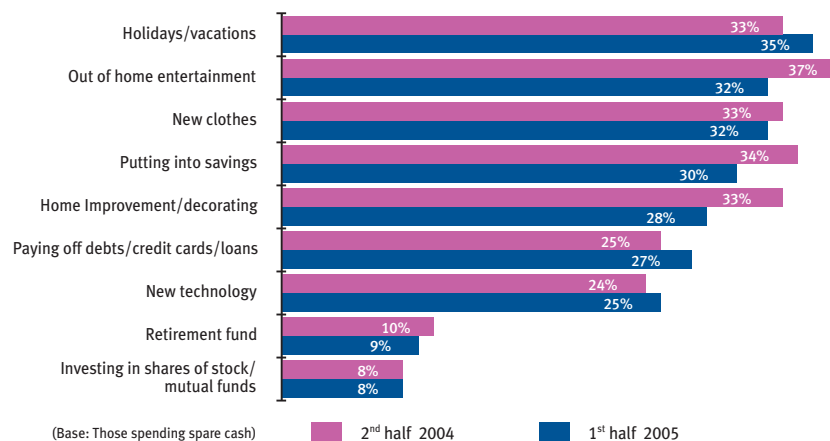
On a global basis, over one third (36%) of the world's consumers put any spare cash into Savings, followed by Out of Home

Entertainment, Holidays/Vacations and New Clothes.

At the time of the survey in early May, many Europeans were already looking forward to their summer holidays, with over one third of consumers (35%) putting spare cash into upcoming holidays, more than any other region.



It is a good time to buy the things they need over the next 12 months: the Irish and Danish agree.



The Europeans look forward to holidaying more than any other region across the globe.

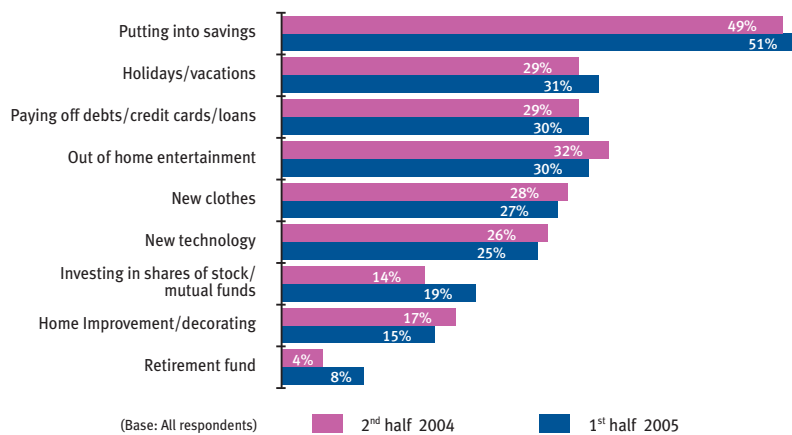


Asians remain the world's super savers with 51% of consumers putting any spare cash away for a rainy day. In contrast, no European nation made it into the Global Top Ten 'Savers' ranking while a quarter of Latin American and North American consumers are Paying Off Debts/Credit Cards.

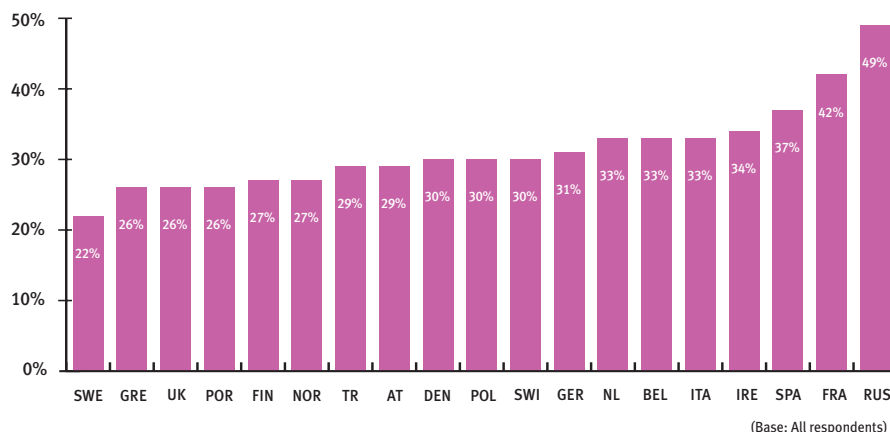
The Spanish continue to lead the way as the world's biggest spenders on Out of Home Entertainment, while in the Nordics, any spare cash is filtered into Home Improvements.

"My home is my castle" reigns true for many Europeans and they are the biggest spenders globally on their home and home improvements, especially the Nordic countries. Eight out of Top Ten countries who spend most on Home Improvements are European.

Fashion-conscious French consumers rank second in the world for spending on New Clothes, with 42% splashing out on new summer wardrobes, but it's the Russians who are the world's biggest spenders on New Clothes (49%).



Across the Asia Pacific region, consumers are saving. Retirement seems a long way off.



Spending money on new clothes is popular in Russia and France.

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It is also interesting to note that in North American, a quarter of consumers simply said they had no spare cash at all after paying basic living expenses.

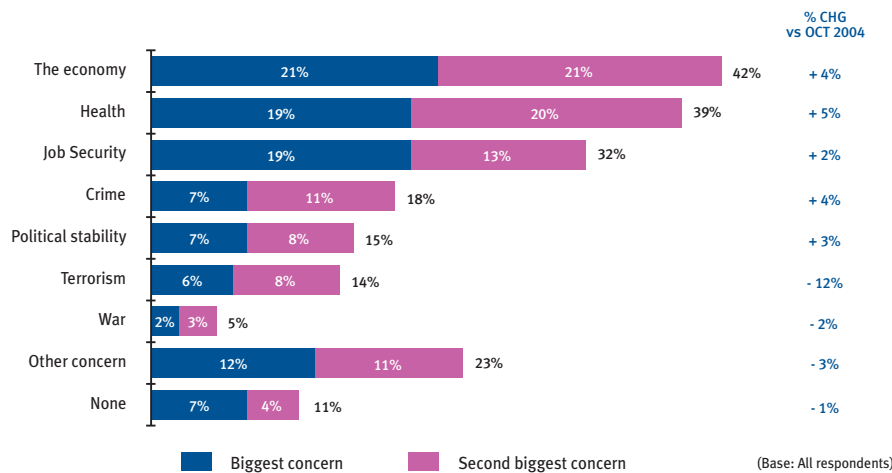
The most cautious spenders in the world today are the Koreans, Greeks and Portuguese.

Major fears and concerns

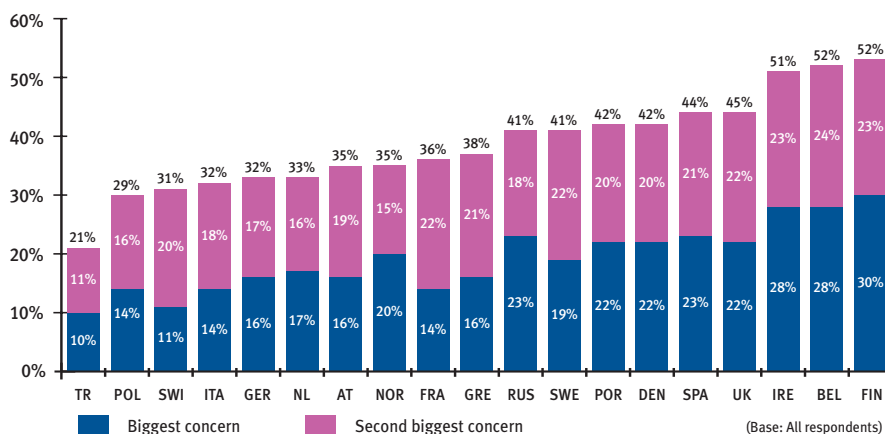
Globally, consumers' ranked their major concerns as the Economy, Job Security and Health.

“The biggest concern for Asians, Europeans and North Americans is the Economy, while the Job Security topped the most concerned list for Latin Americans and one third of South Africans cited Crime as their main concern,” said Martell.

Health as a major concern has increased significantly among Europeans over the last six months and is the number one concern for the Irish, Finnish, Russians, Norwegians, Danish and Belgians. “With aging populations



The economy remains a major concern over the next six months in Europe.



In the Nordics health is a major concern over the next six months.



and a trend for governments all over Europe to cut back on healthcare, the public are becoming very anxious about their health.

“There is public pressure in nearly every country, even the upbeat economy of Ireland and the renown socially responsible governments of the Nordics – to increase and upgrade public healthcare and facilities. Healthcare will become an even bigger and more serious concern for consumers in the future,” said Martell.

About the survey

The ACNielsen Global Online Consumer Confidence Survey is conducted twice-yearly to provide an understanding of consumer attitudes towards their local economy now and in the future, their spending intentions and current major concerns. A total of 21,261 consumers were interviewed over the Internet in 38 markets between April 11 – May 10, 2005.

About ACNielsen

ACNielsen, a VNU business, is the world’s leading marketing information provider. Offering services in more than 100 countries, the unit provides measurement and analysis of marketplace dynamics and consumer attitudes and behavior. Clients rely on ACNielsen’s market research, proprietary products, analytical tools and professional service to understand

competitive performance, to uncover new opportunities and to raise the profitability of their marketing and sales campaigns. To learn more, visit www.acnielsen.com

The 38 markets in the 2005 global online consumer confidence study

Asia Pacific:

Australia	China	Hong Kong
India	Indonesia	Japan
Korea	Malaysia	New Zealand
Philippines	Singapore	Taiwan
Thailand		

Europe:

Austria	Belgium	Denmark
Finland	France	Germany
Greece	Ireland	Italy
Netherlands	Norway	Poland
Portugal	Russia	Spain
Sweden	Switzerland	Turkey
UK		

Latin America:

Brazil	Chile	Mexico
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North America:

USA	Canada
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South Africa

For further information, please visit: www.acnielsen.com