

News Release

FOR IMMEDIATE RELEASE

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NIELSEN: HONG KONG EXPERIENCES HIGHEST RISE IN CONSUMER CONFIDENCE AMONG 29 COUNTRIES SURVEYED IN THE FOURTH QUARTER

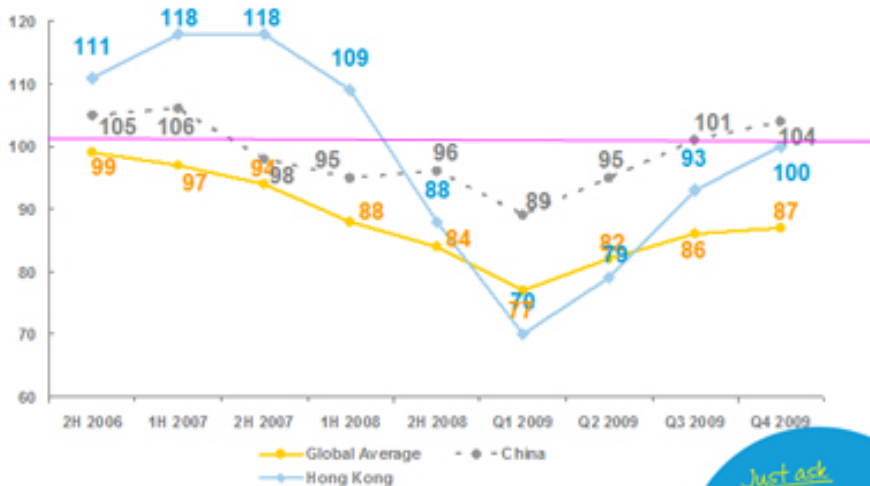
CONFIDENCE INDEX JUMPS SEVEN POINTS

Confident Locals Continue Spending on Stock Market and Mutual Fund Investments; Out-of-home Entertainment, Holidays and New Clothes

73% of Hong Kong Consumers Say Recession Is Over

Hong Kong – January 26, 2010 – Hong Kong recorded the highest consumer confidence increase for the second consecutive quarter in Q4 of 2009, up seven index points from 93 in Q3 to 100, according to the Nielsen Global Consumer Confidence Survey of 29 countries. Confidence in Hong Kong has risen a total of 21 points since June 2009, marking a significant turnaround in consumer confidence in the Asian territory.

Hong Kong confidence up 7 points compared to global average up 1 point and China up 3 points



Source: Nielsen Consumer Confidence Survey

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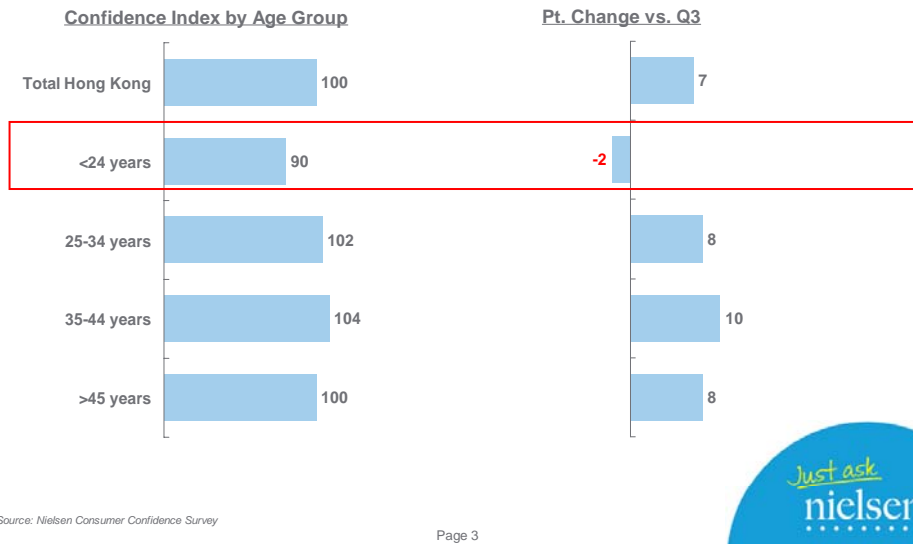
“Hong Kong confidence is being driven by a more positive outlook on job prospects and personal finances which is boosting consumption and spending. Unemployment figures are down and stock market and tourism numbers are up: Hong Kong consumers ended 2009 on a buoyant note with more consumers leaving the recession behind,” said Oliver Rust, Managing Director, Hong Kong, The Nielsen Company.

In the latest survey, 73 percent of Hong Kong consumers said they are no longer in recession—a five-point increase compared to the previous quarter, and a difference of 33 percent between June and December 2009. “Last June, 60 percent of Hong Kong consumers said they were in recession and this number decreased to 27 percent by December, demonstrating the resilience of the Hong Kong consumers to adapt to the changing environment to come out of the recession,” said Rust.

Globally, between June and December last year, the Nielsen Global Consumer Confidence Index rose five points from 82 to 87. The survey, which tracks consumer confidence, major concerns and spending habits, was conducted among more than 17,500 Internet users in 29 markets between December 4-18, 2009. Eight of the top 10 most confident markets in the fourth quarter of 2009 came from Asia Pacific with Indonesia (ranked 1st) and India (ranked 2nd) the most confident nations in Q4, while consumers in two of Asia’s most developed markets, South Korea and Japan, were the least confident.

Nielsen’s Consumer Confidence Index for Q4 of 2009 showed Hong Kong’s younger generation (aged 24 and below) were less optimistic compared to other age groups and recorded a confidence drop of two points since the previous survey in September 2009. “In Q4, the under 24 age group felt less optimistic about job prospects (-2 points) and personal finances (-10 points) compared to Q3 2009. This age group includes first job-seekers and university graduates who have had a tough time entering the work force in the last two years, and now that the job market has rebounded, they’re finding themselves facing another challenge—increasing competition from mainland Chinese job seekers,” observed Rust. Among all other age groups, optimism for job prospects, personal finances and discretionary spending habits increased in Q4.

Strong surge in confidence among all age groups except under 24s



Personal Finances and Job Prospects

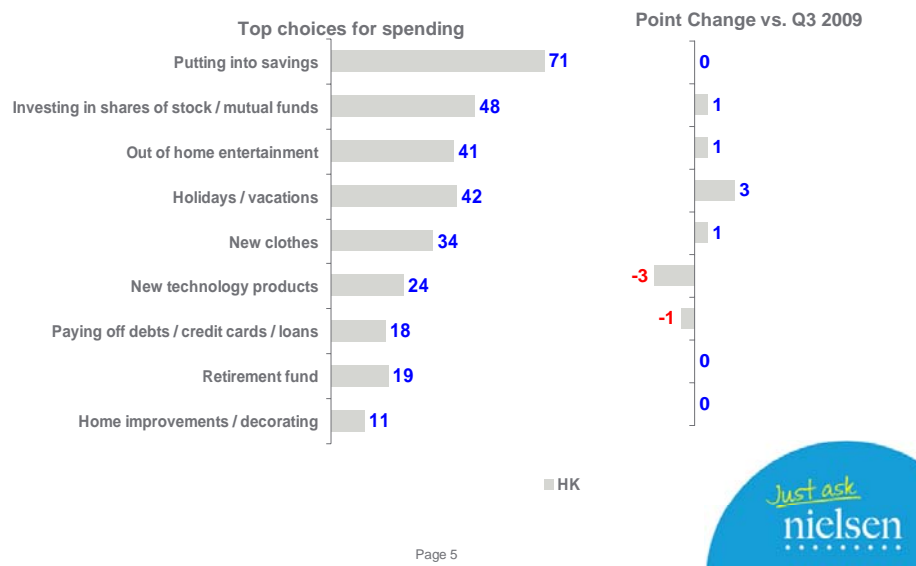
In the latest Nielsen survey, 60 percent of Hong Kong consumers described the outlook for their personal finances for the next 12 months as excellent or good compared to 43 percent last June—with an increase of four points over the last quarter. Similarly in Q4 2009, 56 percent described their job outlook as excellent or good compared to 18 percent in June last year—with an increase of 15 points in Q4 compared to Q3. “This significant rebound in job confidence corresponds with the territory’s unemployment rate falling below five percent for the first time since January 2009,” said Rust. “The local job market is one of the biggest drivers of confidence in Hong Kong and consumers have been encouraged by job creation in construction, import-export and local development in the past six months.” Nielsen’s survey showed the core workforce age groups, 35-44 year olds and over 45 year olds, had the highest confidence in job prospects (up 19 points and 22 points respectively).

Spending Habits: Savings and Stock Investments

After covering essential living costs, locals still prefer to put their cash into savings (71 percent) and invest in stocks/mutual funds. “Confident Hong Kong consumers also continued to loosen their purse strings in Q4 spending more on out-of-home entertainment, new clothes, and holidays/vacations,” said Rust. “Only discretionary spending on new technology products declined (-3 percent) in the last quarter of 2009.”

Hong Kong consumers topped global rankings for putting spare cash into savings and ranked second (after China) for investing any spare cash in the stock market/mutual funds. Hong Kong also ranked seventh globally for discretionary spend on new clothes, holiday/vacations and out-of-home entertainment.

Spending choices for spare cash after covering essential living expenses - Hong Kong



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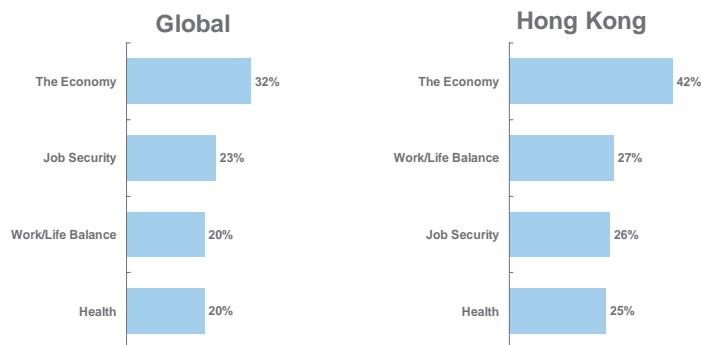
According to the survey, between June and December last year, Hong Kong consumers increased their spending on out-of-home entertainment and new clothes by 12 percent, and increased spending on holidays/vacations by nearly 10 percent. “Hong Kong consumers cut their travel and holiday budget quite drastically during the downturn, but locals are now planning holidays again,” said Rust. “Of all age groups, over 45’s are the most willing to increase discretionary income spending across all sectors.”

Top Concerns

Globally, although concerns about the economy and job security remain top of mind, concern over job security declined in Q4 2009. In June 2009, nearly one-third of global consumers cited job security as a main life concern; in December, that number dropped to 23 percent. Hong Kong followed the global trend with the economy still remaining the top concern for locals in the next six months, while concern for job security fell two points in the last quarter. “Today, one in five Hong Kong consumers has equal concern for job security (26%) and work/life balance (27%), while one in four cited increasing utility bills among their top concerns in the next six months,” noted Rust.

Top four concerns in HK consistent with global results, although the % citing each of these reasons were higher in HK

Top 4 Key Concerns in the next 6 months



Source: Nielsen Consumer Confidence Survey

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For some sectors of the economy, cautious optimism still rules the day. “While retail data showed retail sales picked up in Q4 as consumers begin to return to previous purchasing behaviour, fast moving consumer goods (FMCG) spending is not yet back to pre-crisis levels. Department stores have experienced the biggest growth—up 12 percent year over year, largely supported by increasing tourism,” said Rust, “During the first half of 2009, consumers prioritized essential categories in packaged food and personal/Home care over discretionary spending like snacks and confectionary. However, the recent few months have seen a gradual revival of momentum in these ‘impulse’ categories as well, indicative of consumers slowly resuming consumption of these categories.”

About the Nielsen Global Consumer Confidence Survey

The Nielsen Global Consumer Confidence Survey was conducted between December 4-18, 2009 and polled over 17,500 consumers in Asia Pacific, Europe, Latin America, the Middle East 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 media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related properties. The privately held company is active in more than 100 countries, with headquarters in New York, USA. For more information, please visit, www.nielsen.com

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