



CONSUMER CONFIDENCE

**CONCERNS AND SPENDING
INTENTIONS AROUND THE WORLD**
QUARTER 1, 2014

nielsen
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AN UNCOMMON SENSE
OF THE CONSUMER™

GLOBAL CONSUMER CONFIDENCE REACHES PRE- RECESSION LEVELS

GLOBALLY

- Global consumer confidence increased to 96 points on a scale indexed to a mid-point of 100 in Q1 2014, the highest level since 2007
- Perceptions of local job prospects improved in all regions except Latin America
- Recessionary sentiment improved in 68 percent of markets
- Discretionary spending intentions increased in all regions
- U.S. consumer confidence is at its highest level since 2007
- Germany and Japan consumer confidence are at their highest levels since 2005
- Sub-Saharan Africa consumer confidence is included for the first time

Global consumer confidence returned to a pre-recession level with an index score of 96 in the first quarter—the highest score since first-quarter 2007, according to consumer confidence findings from Nielsen, a leading global provider of information and insights into what consumers watch and buy.

The global index score represents a two-point increase from fourth-quarter 2013 and a three-point increase from a year ago (Q1 2013). The Nielsen consumer confidence index measures perceptions of local job prospects, personal finances and immediate spending intentions. Consumer confidence levels above and below a baseline of 100 indicate degrees of optimism and pessimism, respectively.

Regional consumer confidence was highest in Asia-Pacific with an index score of 106, a one-point increase from the previous quarter (Q4 2013) and a three-point increase from a year ago (Q1 2013). North America posted the largest quarterly increase of five points to reach the optimism baseline of 100—the highest level since 2007. The Middle East/Africa region increased four points to 94, and Europe rose two points to 75, compared to fourth-quarter 2013. Latin America reported the only quarterly regional consumer confidence decline, falling one point to 93.

In the world's biggest economies, consumer confidence increased six points in the U.S. (100), remained flat in China (111), increased one point in Japan (81), increased four points in Germany (99), increased eight points in France (59) and increased three points in the U.K. (87).

“With global consumer confidence at a seven-year high, it marks a significant milestone for the longest recession since the Great Depression,” said Dr. Venkatesh Bala, chief economist at The Cambridge Group, a part of Nielsen. “A global sentiment moves to one of cautious stability. As recovery continues, signs of optimism are increasing.”

The Nielsen Global Survey of Consumer Confidence and Spending Intentions, established in 2005, measures consumer confidence, major concerns and spending intentions among more than 30,000 respondents with Internet access, in 60 countries.

In the latest round of the survey, conducted Feb. 17 – March 7, 2014, consumer confidence increased in 60 percent of markets measured by Nielsen—up from 43 percent the previous quarter (Q4 2013). Indonesia (124) reported the highest consumer confidence index score for the fifth consecutive quarter, which was flat compared to fourth-quarter 2013. Croatia and Italy each reported the lowest consumer confidence scores (45), an increase of one point each compared to the previous quarter. Egypt (87) and Switzerland (104) reported the largest quarter-on-quarter increases of 11 and 10 points, respectively. Ukraine (56) reported the biggest quarterly decline of seven points.

ABOUT THE GLOBAL SURVEY METHODOLOGY

The findings in this survey are based on respondents with online access in 60 countries (unless otherwise noted). While an online survey methodology allows for tremendous scale and global reach, it provides a perspective only on the habits of existing Internet users, not total populations. In developing markets where online penetration is still growing, audiences may be younger and more affluent than the general population of that country. In addition, survey responses are based on claimed behavior rather than actual metered data.

GLOBAL JOB OUTLOOK IMPROVES

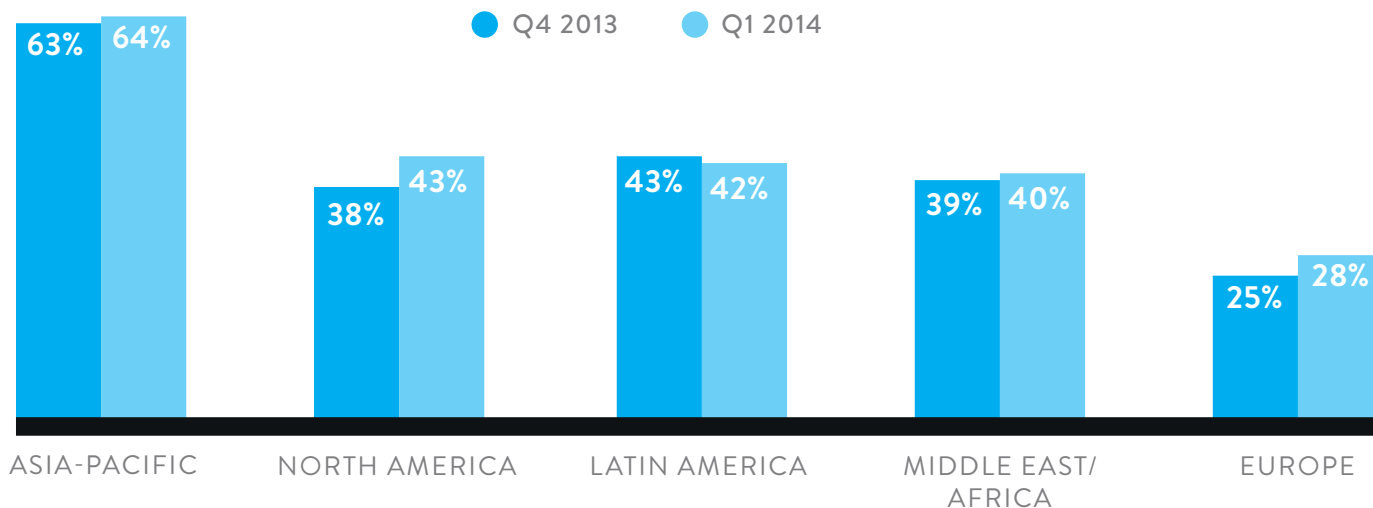
Positive perceptions about local job prospects over the next 12 months increased in the first quarter in every region except Latin America. Almost half of global respondents (49%) believed the job market would be good or excellent in the upcoming year, an increase of 2 percentage points in the first quarter, which brings the global average to just below the pre-recession outlook of 50 percent. The biggest quarterly surge in job optimism came from North America, increasing 5 percentage points to 43 percent. Asia-Pacific respondents were most optimistic about employment opportunities, with 64 percent believing that job prospects were favorable for the year ahead, up from 63 percent the previous quarter.

An optimistic outlook for future job prospects also increased in the Middle East/Africa (40%) and Europe (28%), rising 1 and 3 percentage points, respectively. In Latin America, the trend was slightly downward: 42 percent of respondents registered positive perceptions for employment opportunities, compared to 43 percent in fourth-quarter 2013.

More than half (55%) of global respondents regarded their personal finances positively, a level that has held steady for three consecutive quarters. In Latin America and Asia-Pacific, respondents were most secure in money matters, with 63 and 62 percent, respectively, believing the state of their finances were good or excellent. European respondents were least confident about finances, with 57 percent saying their personal situation was not good.

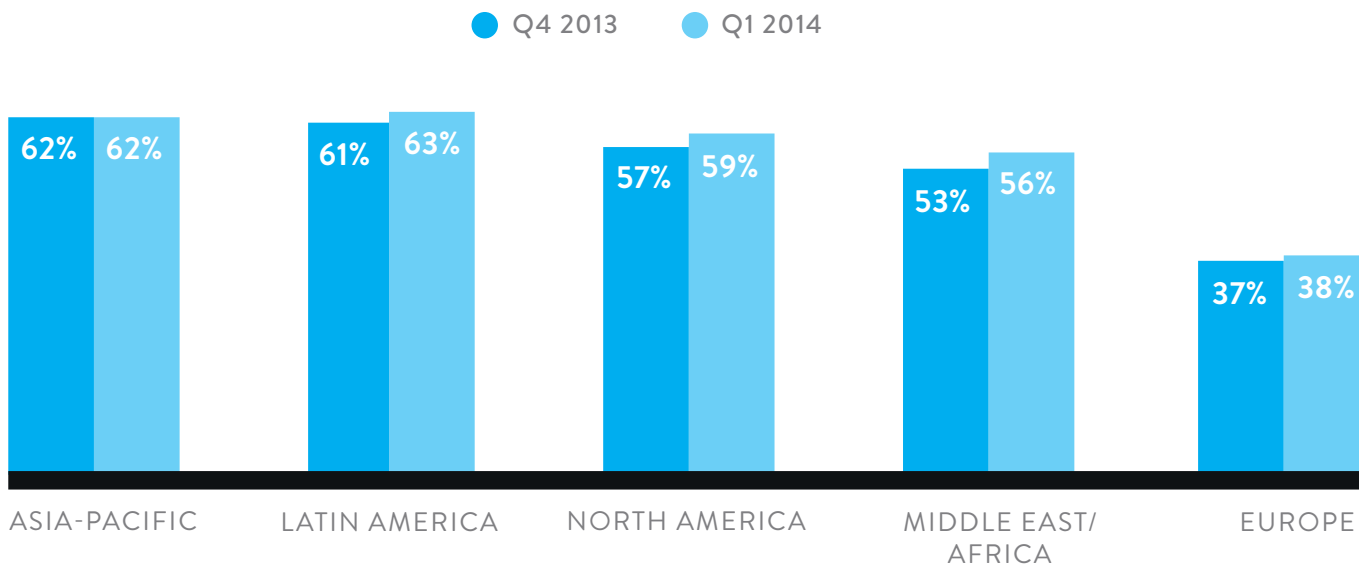
JOB PROSPECT ATTITUDES

PERCENT BELIEVING JOB PROSPECTS WILL BE GOOD OR EXCELLENT IN THE NEXT 12 MONTHS



PERSONAL FINANCE ATTITUDES

PERCENT BELIEVING THE STATE OF PERSONAL FINANCES WILL BE GOOD OR EXCELLENT IN THE NEXT 12 MONTHS



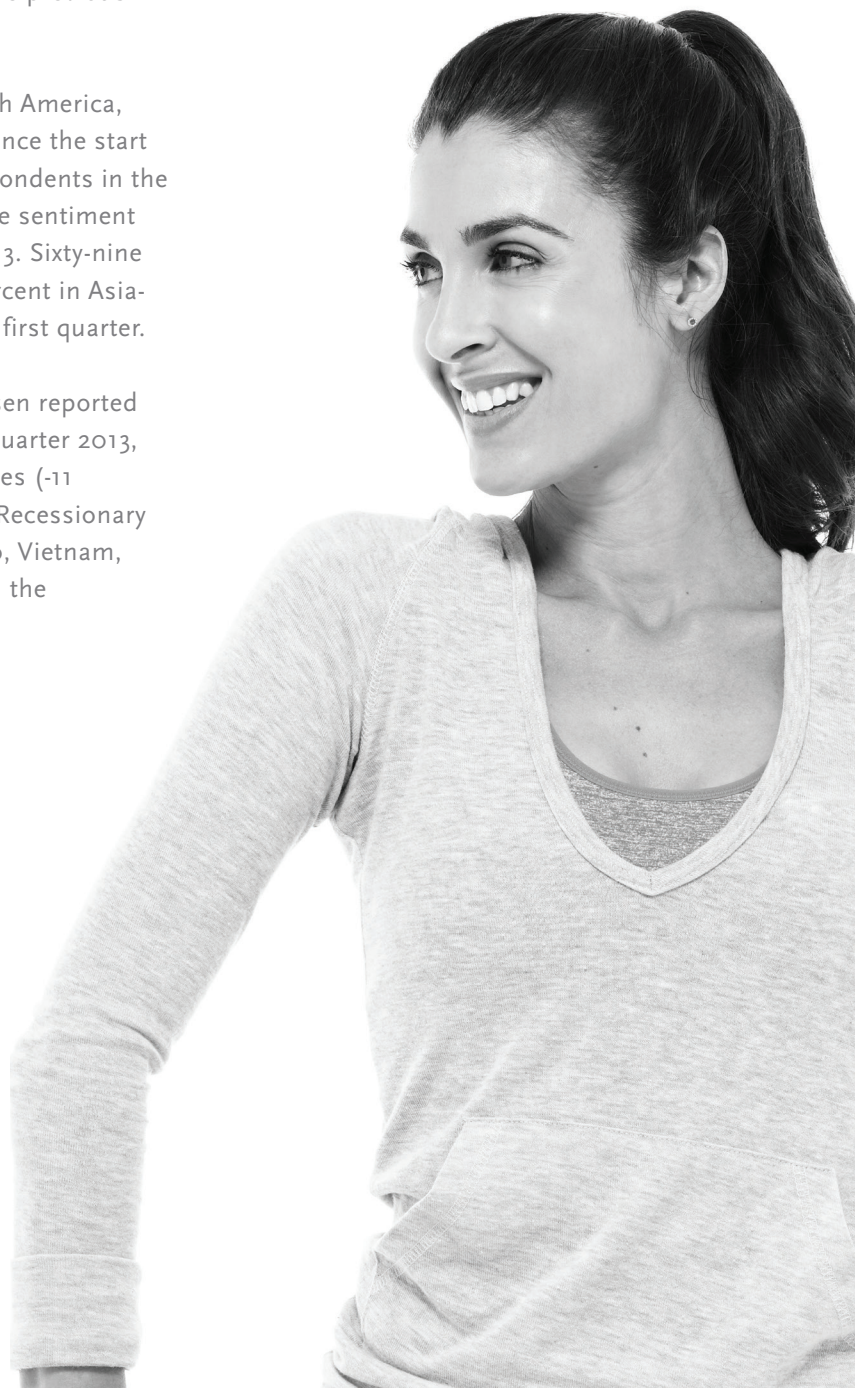
Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q1 2014

GLOBAL RECESSIONARY SENTIMENT IMPROVES

More than half of global respondents (55%) felt mired in recession in the first quarter, an improvement compared to 57 percent in the previous quarter.

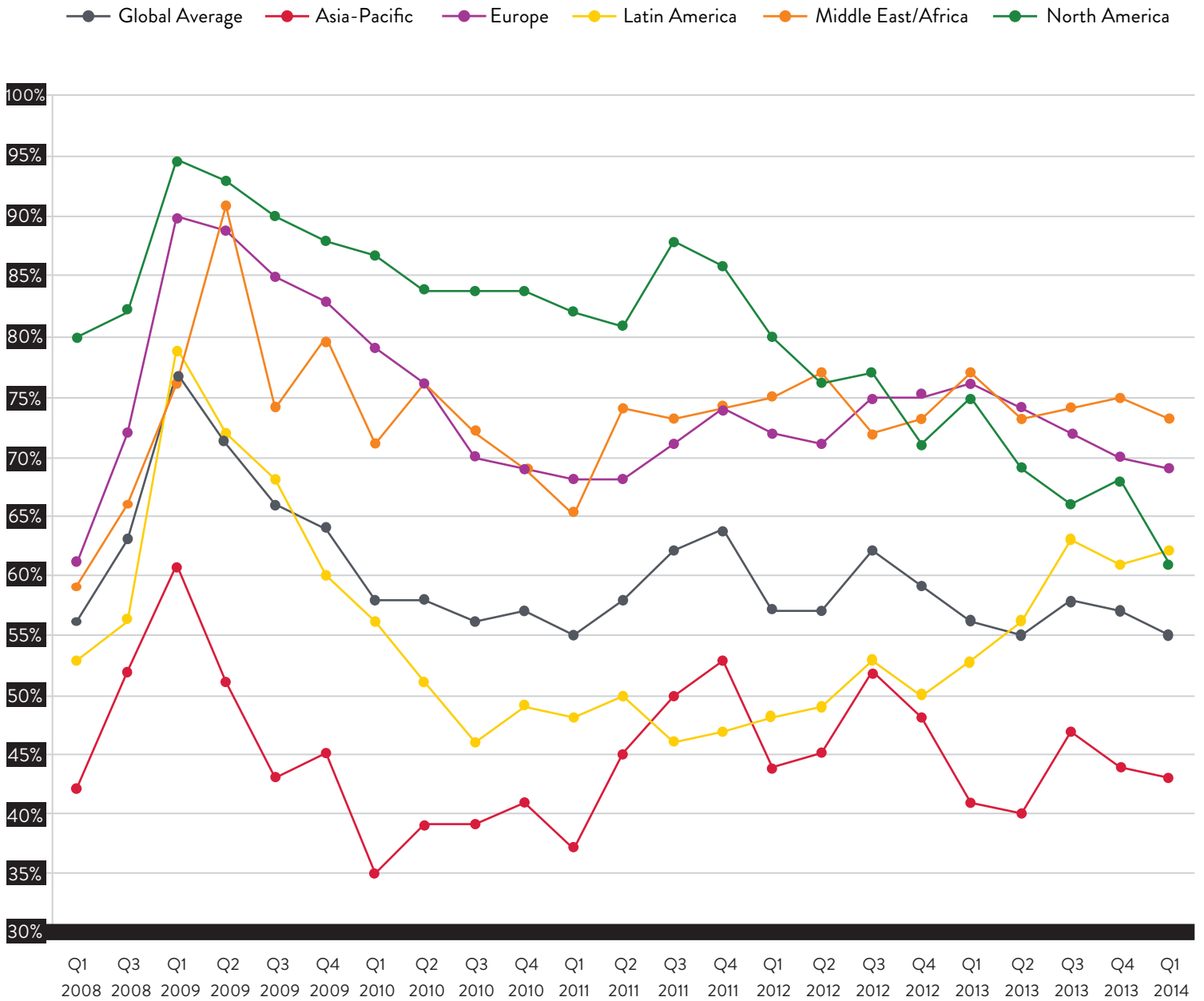
Regionally, recessionary sentiment improved most in North America, down 7 percentage points to 61 percent, the lowest level since the start of the recession. While nearly three-quarters (73%) of respondents in the Middle East/Africa region felt affected by the recession, the sentiment was an improvement from 75 percent in fourth-quarter 2013. Sixty-nine percent in Europe, 62 percent in Latin America, and 43 percent in Asia-Pacific believed they were in an economic recession in the first quarter.

More than two-thirds (68%) of markets measured by Nielsen reported an improved recessionary sentiment compared to fourth-quarter 2013, with the steepest improvements in the United Arab Emirates (-11 percentage points), Switzerland (-11pp) and Peru (-10pp). Recessionary sentiment also improved by 9 percentage points in Mexico, Vietnam, Romania and New Zealand and by 8 points in the U.S. and the Netherlands.



RECESSIONARY SENTIMENT AROUND THE WORLD

PERCENT THAT BELIEVE THEIR COUNTRY IS IN AN ECONOMIC RECESSION



Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q1 2014

U.S. CONSUMER CONFIDENCE REACHES A SEVEN- YEAR HIGH

U.S. consumer confidence increased six index points in the first quarter to reach 100—the optimism baseline and the highest score since third-quarter 2007. Elsewhere in North America, confidence in Canada declined one point in the first quarter to 99 and was down from 102 last year (Q1 2013).

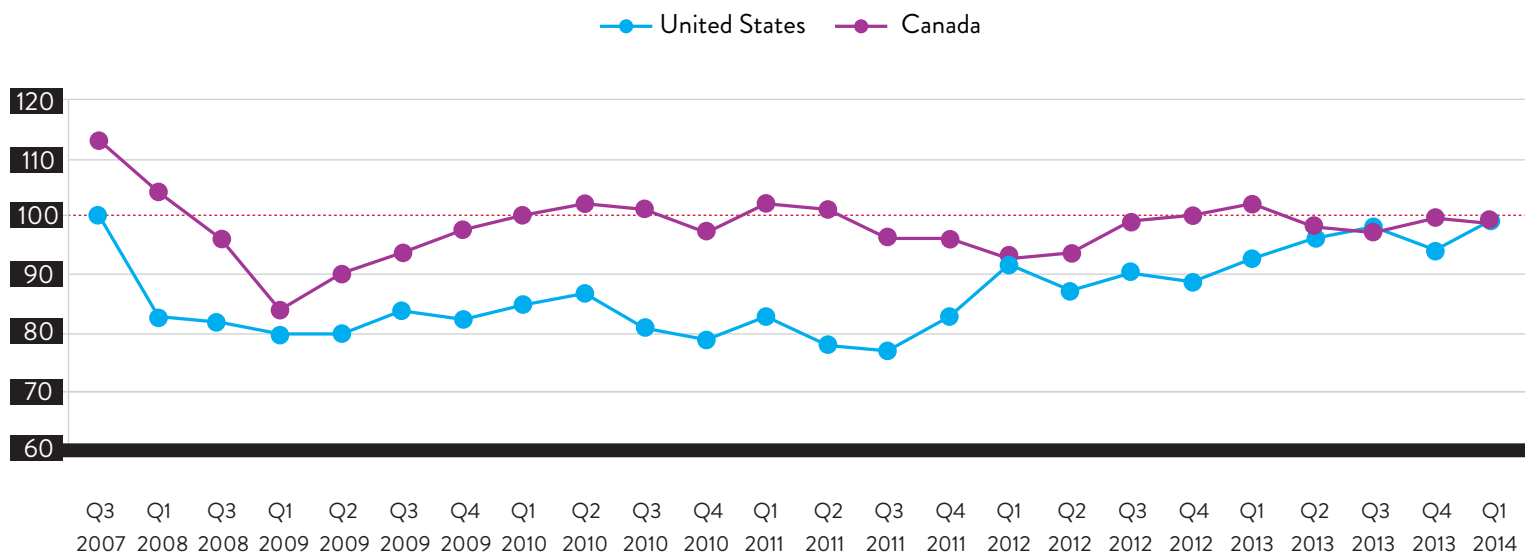
U.S. savings and investing intentions picked up pace in the first quarter, with 44 percent of respondents putting spare cash into savings accounts, up from 39 percent in fourth-quarter 2013. Fifteen percent invested in stocks and mutual funds, up from 11 percent the previous quarter. More than one-third (36%) said they paid debts, credit cards and loans, a quarterly increase of 5 percentage points.

U.S. discretionary spending intentions also increased 2 percentage points in the first quarter for new clothes (26%) and home improvement projects (21%). Buying new technology and spending on out-of-home entertainment were priorities for 21 percent of respondents each, up 4 and 3 percentage points, respectively, compared to fourth-quarter 2013.

“While fast-moving consumer goods spending patterns in the U.S. continue to move sideways, as evidenced by nearly flat (0.2%) unit sales gains in the first quarter, a significant milestone has been reached with consumer confidence now at its highest level since 2007,” said James Russo, senior vice president, Global Consumer Insights, Nielsen.



CONSUMER CONFIDENCE INDEX IN NORTH AMERICA



Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q1 2014

EUROPE'S RECOVERY IS FRAGILE, BUT PROGRESSING

Consumer confidence in Europe increased in 21 of 32 markets in the first quarter, with the biggest increases from some of the region's lowest index performers. Confidence in France (59) and Greece (53) increased eight index points each, and Portugal (51) and Spain (61) increased seven and three points, respectively, compared to fourth-quarter 2013. Consumer confidence in Germany remained robust with a score of 99, an increase of four points from the previous quarter and the country's highest index score recorded (since Nielsen began measuring consumer confidence in 2005).

The long road to recovery, has begun in key markets, such as France, Italy and Spain," said Dr. Bala. Germany continues to perform well, reporting the lowest unemployment rate in the euro zone, and recovery in the U.K. continues to gather momentum."

"In Germany, the consumer confidence index reached a new record high," said Ingo Schier, managing director, Nielsen Germany. "After 100 days under the new government, the waive on tax increases, as well as the introduction of minimum wages and pensions for mothers, are measures that helped to strengthen optimism about the future. As Germany plays an important role in the broader European context, this optimism spells good news for the region."

Future job prospects in Europe increased in 24 of 32 markets. The most notable job optimism increases came from Switzerland, up 8 percentage points; Austria, Ireland, Greece and Estonia, up 6 percentage points each; Germany and France up 5 percentage points each; and the U.K., Russia, Finland and Hungary up 4 percentage points each, compared to fourth-quarter 2013. Discretionary spending, however, remained virtually flat across all spending categories measured in the first quarter.

CONSUMER CONFIDENCE INDEX IN EUROPE

Q1 2014
CIRCLES DENOTE INDEX
DIFFERENCE FROM Q4 2013

10	104	Switzerland
8	59	France
8	53	Greece
7	51	Portugal
6	79	Estonia
6	68	Bulgaria
5	82	Ireland
5	67	Romania
4	99	Germany
4	86	Lithuania
4	83	Russia
4	75	Czech Republic
4	48	Slovenia
3	87	United Kingdom
3	68	Slovakia
3	61	Spain
3	54	Hungary
1	87	Austria
1	70	Poland
1	45	Croatia
1	45	Italy
0	76	Latvia
0	67	Finland
-1	76	Netherlands
-1	74	Belgium
-2	92	Norway
-2	83	Sweden
-2	52	Serbia
-4	85	Israel
-5	100	Denmark
-6	81	Turkey
-7	56	Ukraine

Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q1 2014

“In the U.K., consumer confidence rose to its highest level in six years, boosted by improving sentiment for job prospects,” said Chris Morley, managing director, Nielsen U.K. and Ireland. “While the macroeconomic situation continues to recover, optimism has not yet filtered through to people’s personal finances. There has been only a minor improvement in British consumers’ willingness to spend, and 1 in 4 still reports having no spare cash.”

Consumer confidence in Russia increased four index points to 83 in the first quarter, while Ukraine declined seven index points to 56—the country’s lowest score since it was added to the Nielsen Global Survey in second-quarter 2009.

“In Ukraine, the drop in consumer confidence is not surprising as recent events spurred by the conflict in Crimea are creating fear and uncertainty in the country,” said Svyatoslava Svyst, market leader, Nielsen Ukraine. “The danger of war and the severe currency devaluation contributed to consumer doubts about the country’s future financial and economic stability.”



SPENDING INTENTIONS INCREASE IN ASIA-PACIFIC

Consumer confidence in Asia-Pacific increased in eight of 14 markets in the first quarter, was flat in three and declined in three. The region's biggest quarterly index increase was six points, in both India (121) and Hong Kong (111). India's index rise returns the score to a fourth-quarter 2012 level after several quarters of declining performance. Consumer confidence in the Philippines (116) and Thailand (108), as well as Indonesia (124) and China (111), were among the highest index scores of the 60 countries measured.

"In India, the overall perception about the economy has achieved a steady state as many believe that things cannot get worse and that investments will pick up as the Indian fiscal year ends and most households expect the positive impact of year-end bonuses," said Piyush Mathur, president, Nielsen India. "However, inflation continues to be a challenge, and there is a sense of cautious anticipation about the outcomes of the world's largest democratic election. Despite these factors, discretionary spending intentions are slightly more buoyant than previous quarters, as is typical at the end of the financial year, and in good time for the summer holiday season."

"In China, we see stronger confidence among respondents in Tier 2 and Tier 3 cities, compared with those in Tier 1," said Yan Xuan, president of Nielsen Greater China. "In these lower tier locations, consumers have higher average salaries than their counterparts in lower tier locations, and they have less work and life pressures than those living in Tier 1 cities. Consumers in the middle tier cities also demonstrate a greater willingness to purchase more premium products. The continued rise of the Chinese middle-class throughout the country bodes very well for China's goal to grow its GDP through more domestic consumption, rather than solely rely on infrastructure investment and export."

CONSUMER CONFIDENCE INDEX IN ASIA-PACIFIC

Q1 2014

CIRCLES DENOTE

DIFFERENCE FROM Q4 2013

0	124	Indonesia
6	121	India
2	116	Philippines
0	111	China
6	111	Hong Kong
-1	108	Thailand
0	100	New Zealand
1	99	Vietnam
2	99	Singapore
-6	92	Malaysia
-6	89	Australia
1	81	Japan
3	76	Taiwan
2	51	South Korea

Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q1 2014

Consumer confidence in Australia (89) and Malaysia (92) declined six index points each in the first quarter. Australia's index dropped to its lowest score on record (since Nielsen began measuring consumer confidence in 2005), and 44 percent of respondents felt mired in recession—up from 31 percent in fourth-quarter 2013.

“In Australia, a number of large manufacturers announced cost cutting efforts, job cuts and off-shoring of manufacturing facilities in the first quarter, which has likely impacted Australians' overall confidence levels in the country's economic outlook,” said Chris Percy, managing director, Nielsen Pacific. “This sentiment is reflected in Australians' increasing concern around job prospects and the perception of the state of their personal finances.”

Discretionary saving and spending intentions in the Asia-Pacific region increased across all categories measured. The region boasted the most prolific savers, with 67 percent putting spare cash into savings accounts—an increase of 7 percentage points compared to fourth-quarter 2013. Investing in shares of stocks and mutual funds (38%) was also up 7 percentage points in the first quarter. Spending intentions increased for new clothes (+6 percentage points), home improvement projects (+6pp), holidays/vacations (+4pp), out-of-home entertainment (+3pp) and new technology (+3pp), compared to fourth-quarter 2013.



LATIN AMERICA REPORTS CONFIDENCE UPS AND DOWNS

Brazil led the Latin America region with an index of 106, which declined four points from fourth-quarter 2013. Brazilian respondents reported an optimistic outlook for local job prospects (58%) and personal finances (72%), though these figures represent declines of 5 and 4 percentage points, respectively.

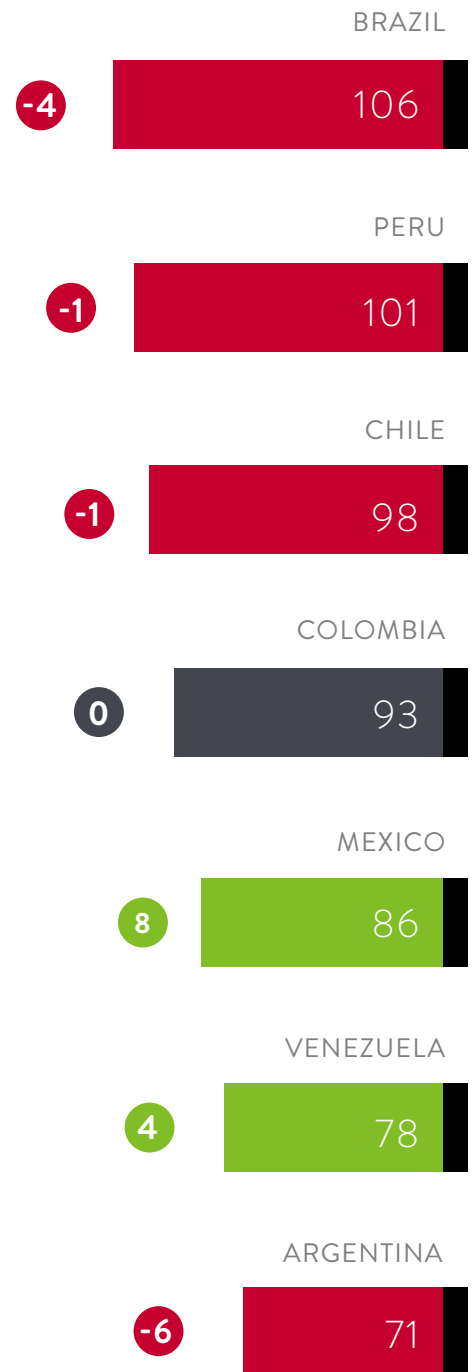
The biggest regional quarter-on-quarter consumer confidence index score increases were in Mexico (86) and Venezuela (78), which rose eight and four points, respectively. Conversely, consumer confidence in Argentina (71) declined six points, while Chile (98) and Peru (101) each fell one point, respectively, compared to fourth-quarter 2013. Colombia's index remained flat in the first quarter with a score of 93.

The biggest concerns for Latin Americans included worries about job security (16%), the economy (13%), crime (11%), work/life balance (9%) and health (9%).

Regionally, quarter-on-quarter discretionary spending increases were reported for out-of-home entertainment expenses (+3 percentage points), new technology products (+3pp) and home improvement projects (+2pp). Nearly one-third (32%) of Latin American respondents put money into savings and 35 percent paid debts, credit cards and loans.

CONSUMER CONFIDENCE INDEX IN LATIN AMERICA

Q1 2014
CIRCLES DENOTE
DIFFERENCE
FROM Q4 2013



Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q1 2014

OPTIMISM GROWS IN THE MIDDLE EAST/AFRICA

United Arab Emirates (114) and Saudi Arabia (102) reported the highest consumer confidence index scores in the region, increasing four and one points, respectively, compared to fourth-quarter 2013. Confidence in Egypt increased most in the region, rising 11 points in the first quarter to 87. Pakistan increased two points to 99, and South Africa posted the only regional confidence decline of four points to 82.

Recessionary sentiment improved in the United Arab Emirates, where the percentage of respondents who believed they were in recession dropped from 44 percent in fourth-quarter 2013 to 33 percent—the lowest level in the region. In Pakistan, recessionary sentiment declined as well, falling 6 percentage points to 76 percent. Conversely, the percentage of respondents feeling mired in recession increased 9 percentage points in South Africa to 76 percent, compared to fourth-quarter 2013.

Regional discretionary spending intentions increased for all categories measured in the first quarter, with the biggest increases for holidays/vacations and out-of-home entertainment rising 4 and 3 percentage points, respectively. Intentions to buy new clothes and spend on home improvement projects increased 2 percentage points each. Thirty-seven percent put spare cash into savings and 10 percent invested in stocks, increases of 2 percentage points each in the first quarter. Twenty-two percent in the region said they had no spare cash, a decline of 3 percentage points compared to fourth-quarter 2013.

CONSUMER CONFIDENCE INDEX IN MIDDLE EAST/ AFRICA

Q1 2014
CIRCLES DENOTE
DIFFERENCE
FROM Q4 2013

UNITED ARAB EMIRATES



SAUDI ARABIA



PAKISTAN



EGYPT



SOUTH AFRICA



Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q1 2014

CONFIDENCE IS MEASURED IN SUB-SAHARAN AFRICA

New to the Nielsen consumer confidence measurement in the first quarter is the addition of three sub-Saharan African markets—Nigeria, Kenya and Ghana. A mobile survey methodology was deployed to gauge sentiment in these countries, which differs from the online methodology used to report consumer confidence and spending intentions for the other 60 countries outlined in this report. As such, these three sub-Saharan African markets are not included in the global or Middle East/Africa averages discussed throughout this report. The mobile survey methodology is a viable representation of consumers in these markets, where mobile penetration exceeds online penetration.



Of the three countries, Nigeria's consumer confidence was highest with an index score of 120 in the first quarter. Kenya also reported an optimistic, above-the-baseline score of 110, and Ghana's score was just below the baseline at 97. More than half of respondents in Kenya (57%) and Nigeria (52%) were optimistic about local job prospects in the next 12 months, compared with 42 percent in Ghana.

"As seen in other developing markets, consumers in Africa generally have an extremely positive outlook, which is encouraging for consumer businesses looking at growth in Africa," said Dwight Watson, managing director, Nielsen, sub-Saharan Africa. "However, with spend on consumer products already accounting for on average just over 50 percent of income, consumers are cautious about their current ability to spend, therefore product choices to meet consumers' needs remains the key opportunity."

While 80 percent of Nigerian respondents were confident about their personal finances, just under half (49%) believed that now was a good time to spend. In Kenya, 69 percent of respondents believed money matters were good or excellent, and 36 percent were confident in their current spending capacity. In Ghana, 62 percent were optimistic about their finances, and 34 percent of respondents were ready to spend.

The majority of respondents in the three countries (71% in Ghana, 66% in Kenya and 59% in Nigeria) did not have spare cash. Among those who did have discretionary money to spend, saving and spending intentions in the three countries showed similar priorities. Saving was a priority for 91 percent in Kenya, 83 percent in Nigeria and 76 percent in Ghana, followed by spending on home improvement projects (74% in Kenya, 73% in Nigeria, 64% Ghana).

Other spending intentions include: investing in stocks (70% in Kenya, 66% in Ghana, 63% in Nigeria), buying new technology products (48% in Nigeria, 40% in Kenya, 34% in Ghana), spending on out-of-home entertainment (47% in Kenya, 44% in Nigeria, 25% in Ghana) and buying new clothes (57% in Kenya, 40% in Nigeria, 30% in Ghana).

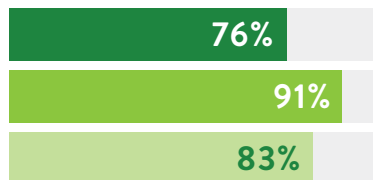
SPARE CASH SPENDING INTENTIONS IN SUB-SAHARAN AFRICA

PERCENT PLANNING TO SPEND DISCRETIONARY INCOME
ON THE FOLLOWING CATEGORIES

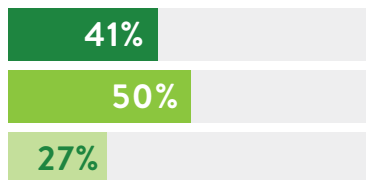
● GHANA ● KENYA ● NIGERIA



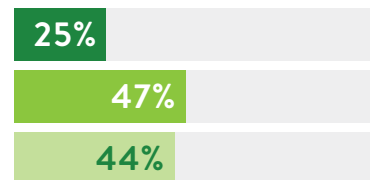
PUTTING INTO SAVINGS



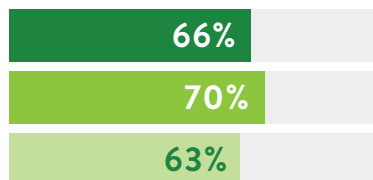
RETIREMENT FUND



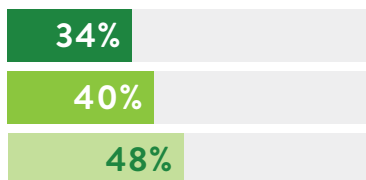
OUT-OF-HOME ENTERTAINMENT



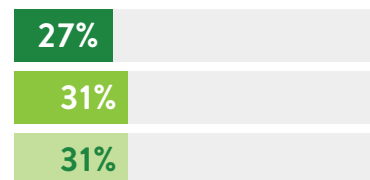
INVESTING IN STOCK/MUTUAL FUNDS



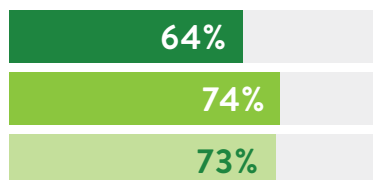
NEW TECHNOLOGY PRODUCTS



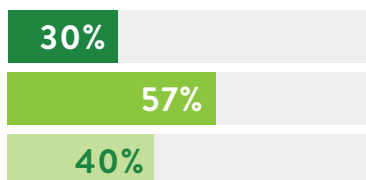
PAYING DEBTS/CREDIT CARDS/LOANS



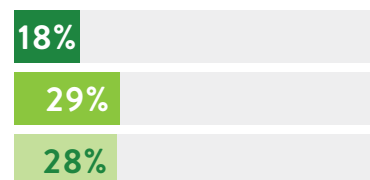
HOME IMPROVEMENTS/DECORATING



NEW CLOTHES



HOLIDAYS/VACATIONS



Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q1 2014
Based on Mobile Survey Methodology

COUNTRIES IN THE STUDY

ASIA-PACIFIC

MARKET	INTERNET PENETRATION
Australia	89%
China	40%
Hong Kong	75%
India	11%
Indonesia	22%
Japan	80%
Malaysia	61%
New Zealand	88%
Philippines	32%
Singapore	75%
South Korea	83%
Taiwan	75%
Thailand	30%
Vietnam	34%

EUROPE

MARKET	INTERNET PENETRATION
Austria	80%
Belgium	81%
Bulgaria	51%
Croatia	71%
Czech Republic	73%
Denmark	90%
Estonia	78%

EUROPE

MARKET	INTERNET PENETRATION
Finland	89%
France	80%
Germany	83%
Greece	53%
Hungary	65%
Ireland	77%
Israel	70%
Italy	58%
Latvia	72%
Lithuania	65%
Netherlands	93%
Norway	97%
Poland	65%
Portugal	55%
Romania	44%
Russia	48%
Serbia	56%
Slovakia	79%
Slovenia	72%
Spain	67%
Sweden	93%
Switzerland	82%
Turkey	46%
United Kingdom	84%
Ukraine	34%

LATIN AMERICA

MARKET	INTERNET PENETRATION
Argentina	66%
Brazil	46%
Chile	59%
Colombia	60%
Mexico	37%
Peru	37%
Venezuela	41%

MIDDLE EAST / AFRICA

MARKET	INTERNET PENETRATION
Egypt	36%
Pakistan	15%
Saudi Arabia	49%
South Africa	17%
United Arab Emirates	71%

NORTH AMERICA

MARKET	INTERNET PENETRATION
Canada	83%
United States	78%

Source: Internet World Stats, June 30, 2012

SUB-SAHARAN AFRICA

MARKET	MOBILE PENETRATION*
Ghana	99%
Kenya	68%
Nigeria	64%

*Based on mobile handsets divided by population.
Source: CIA World Factbook, 2012

ABOUT THE NIELSEN GLOBAL SURVEY

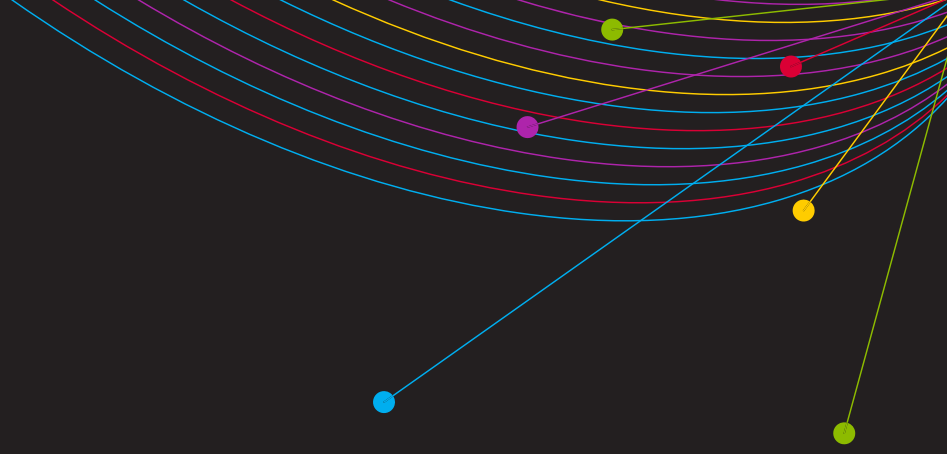
The Nielsen Global Survey of Consumer Confidence and Spending Intentions was conducted Feb. 17 – March 7, 2014 and polled more than 30,000 online consumers in 60 countries throughout Asia-Pacific, Europe, Latin America, the Middle East, Africa and North America. The sample has quotas based on age and sex for each country based on its Internet users, and is weighted to be representative of Internet consumers. It has a margin of error of ± 0.6 percent. This Nielsen survey is based only on the behavior of respondents with online access. Internet penetration rates vary by country. Nielsen uses a minimum reporting standard of 60 percent Internet penetration or an online population of 10 million for survey inclusion. The China Consumer Confidence Index is compiled from a separate mixed methodology survey among 3,500 respondents in China. The sub-Saharan African countries in this study are compiled from a separate mobile methodology survey among 1,600 respondents in Ghana, Kenya and Nigeria. The Nielsen Global Survey, which includes the Global Consumer Confidence Index, 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 and mobile measurement. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands.

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