

News Release

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THE YEAR THAT SHAPED A NATION: NEW ZEALAND IN RECOVERY MODE AFTER A TOUGH 2011

New Nielsen report provides insight into the consumer, retail, media and advertising trends which shaped the New Zealand marketplace in 2011

AUCKLAND, Tuesday, 24 April 2012: 2011 will be remembered as a year of highs and lows for New Zealanders, from the tragedy which struck Christchurch in the early part of the year, to the spoils of a World Cup victory. With the impact of the year's events likely to have a defining effect on the New Zealand marketplace, Nielsen, a leading global provider of information and insights into what consumers watch, read and buy, has today released a first-ever report which explores the key consumer, retail, media and advertising trends which shaped New Zealand in 2011.

Consumer sentiment

In the face of both local and global economic woes, New Zealanders' confidence in the economy fell throughout 2011, and Nielsen's Consumer Confidence Index recorded a nine point decline during the year, from 99 in Q4 2010 to 90 in Q4 2011. This decline was driven by low sentiment around jobs, the country's economic outlook, and rising household expenses. (See Chart 1)

Spending

Declining consumer confidence in 2011 was reflected in spending levels and many New Zealanders (7 out of 10 households) made changes to the way they shop in order to curb expenditure. Many also cut back on non-essential items such as take-away meals, holidays and out-of-home entertainment. New Zealanders are also more sensitive to pricing and around two thirds (65%) are now actively seeking out promotions and price discounts when purchasing supermarket items. (See Chart 2)

"2011 has been a particularly tough year for New Zealanders and they have definitely bunkered down to weather the financial storm, holding back on spending on large ticket items and non-essentials," notes Kate Terry, Director, Client Service for Nielsen in New Zealand. "Despite some easing in the

beginning of 2012, the tough times are not quite over yet with many New Zealanders still concerned about job prospects and their reluctance to spend impacting on retailers, FMCG manufacturers and service providers.”

Media habits

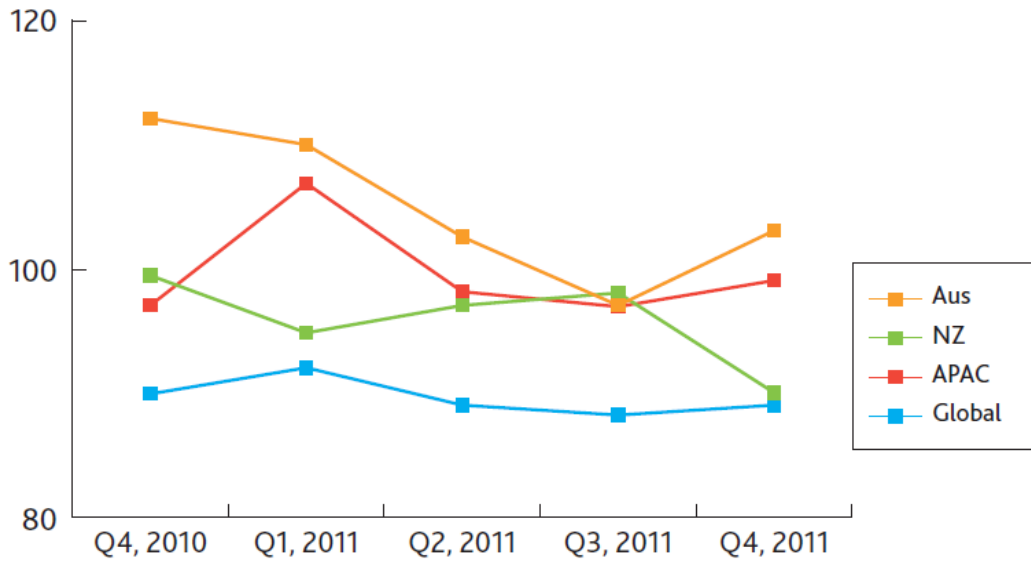
In recent years, the proliferation of new media platforms has raised speculation around the extent to which new media will cannibalise traditional forms of media. In contrast, consumers in New Zealand have demonstrated an insatiable appetite for media content and are responding to the increasing array of choice by increasing overall consumption and, in many cases, consuming multiple forms of media simultaneously. Close to one third of New Zealanders (29%) browse the internet whilst watching television and more than one quarter (26%) send text messages whilst in front of the box. A further 28 percent watch television whilst reading the newspaper. (See Chart 3)

“New Zealanders’ love of technology, the growing proliferation of media, and increasing demand for anywhere/anytime access to content is evidenced by high levels of engagement and interaction with all major media in New Zealand in 2011,” notes Terry. “For media owners and advertisers alike, this provides more avenues than ever before to engage with consumers, and the key to success lies in understanding and embracing cross-platform media consumption and adapting messaging to suit various media platforms.”

Advertising expenditure

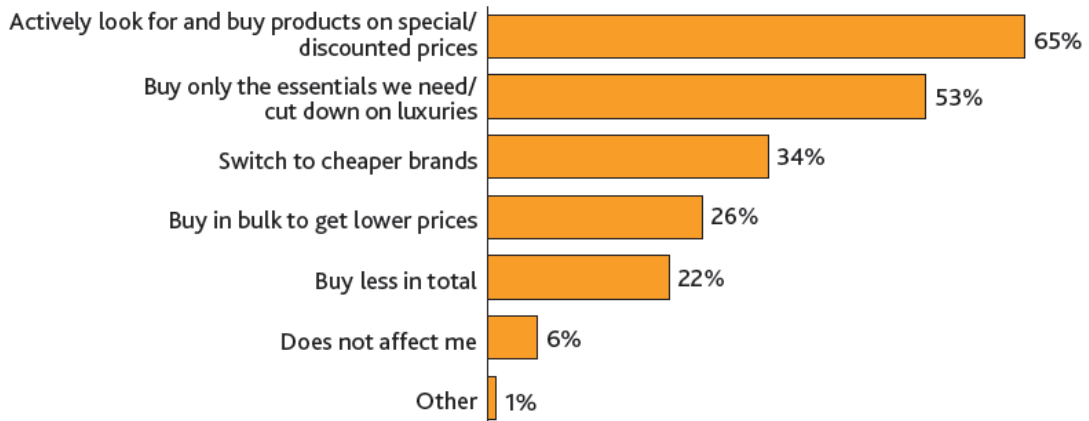
The Rugby World Cup helped to keep New Zealand’s advertising industry buoyant, with the sector posting five percent growth in 2011 to reach \$2.96 billion. Increased expenditure was seen across all media, with the exception of cinema which remained stable; television accounted for the lion’s share of advertising spend, with \$1.6 billion in advertising reported for the year. This was followed by newspapers with \$0.54 billion and radio with \$0.32 billion. Growth in online advertising continued in 2011, with online media recording the highest growth in spend, up 12 percent year-on-year to \$0.07 billion. Progressive Enterprises topped the list of New Zealand’s largest advertising spenders in 2011, up from fourth position in 2010, followed by Foodstuffs in second position and Harvey Norman in third place. (See Chart 4)

Chart 1: Nielsen Consumer Confidence Index (New Zealand compared to Australia, Asia Pacific average and global average)



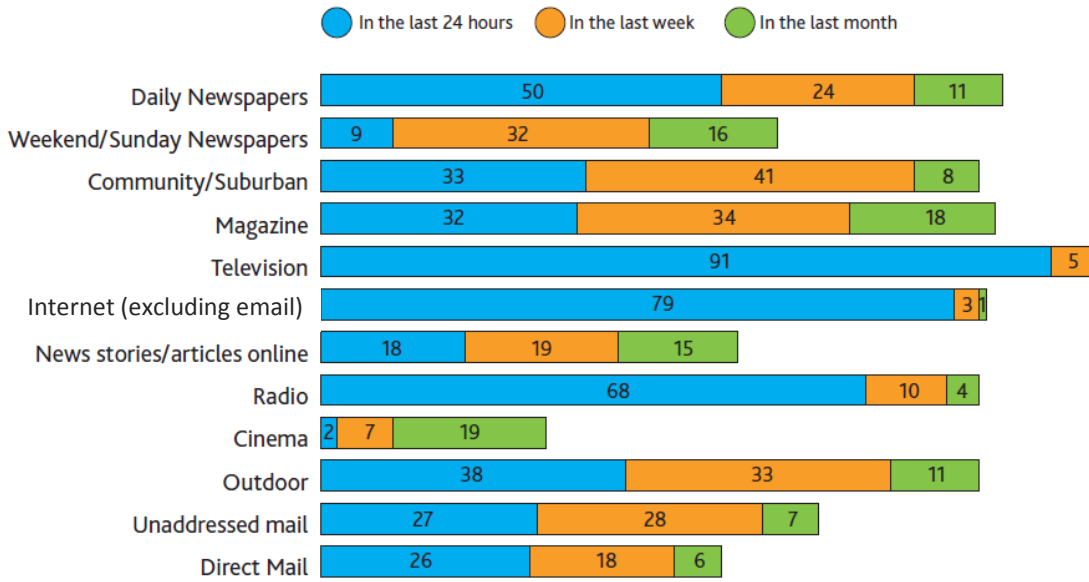
Source: Nielsen Global Consumer Survey, Q4 2011

Chart 2: Supermarket shoppers' response to rising food prices



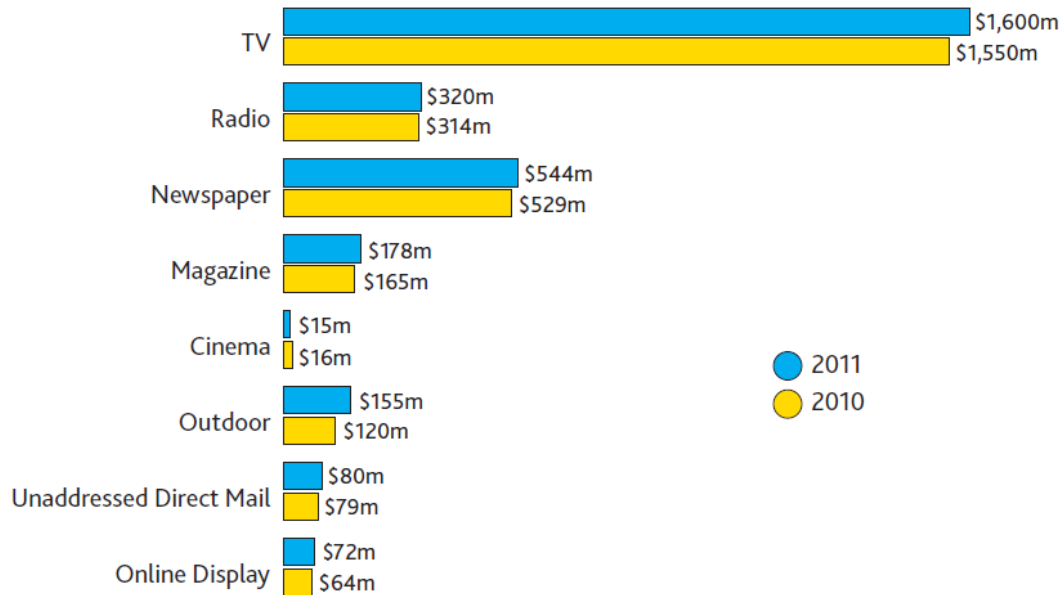
Source: Nielsen ShopperTrends, 2012

Chart 3: Recency of engaging with media (all people aged 15+)



Source: Nielsen Consumer & Media Insights

Chart 4: Advertising spend by media (2011 vs 2010)



Source: Nielsen AIS

Note: Based on full rate card value – excludes classifieds



About Nielsen's 2011: *The Year That Was* report

Tapping into its unique data sets and incorporating commentary from expert analysts, Nielsen's 2011: *The Year That Was* report provides in-depth insight into the key consumer, media and retail trends across the New Zealand market for 2011. The report details consumer confidence and economic perception, spending trends, media consumption and advertising expenditure, as well as highlighting the impact of three major topics in the marketplace in 2011; the Christchurch earthquake, the Rugby World Cup, and the Election. For more information on the report contact Amanda Wisniewski via email atamanda.wisniewski@nielsen.com.

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, mobile measurement, trade shows and related properties. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands. For more information, visit www.nielsen.com.

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