

The background features a dark field with a grid of thin, curved lines in various colors (blue, green, yellow, red, purple) that create a sense of depth and perspective. Several small, solid-colored dots (blue, green, yellow, red) are scattered across the upper portion of the image, some connected to the grid lines.

nielsen

NIELSEN CONSUMER CONFIDENCE

CONCERNS AND SPENDING INTENTIONS

LATEST RESULTS: Q2 2013

Q2 CONSUMER CONFIDENCE

Global Results

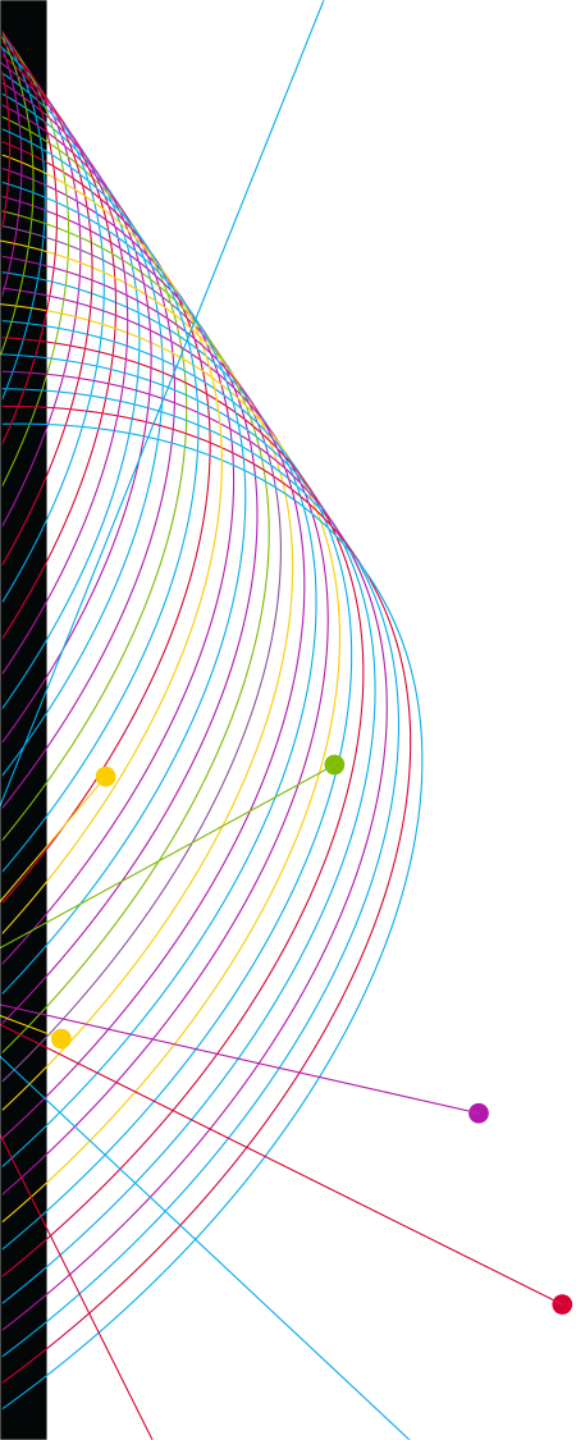
Ireland Results

SUMMARY OF Q2 2013 RESULTS

- Globally consumer confidence increased by one index point, however Ireland surpassed this increasing by five points to 70. A significant increase, the first we've seen Q3 2012 and the highest score since Q3 2008.
- Pessimism remains with 95% believing we are still in recession (unchanged), and 75% believing we will remain in recession for another year (-3).
- Recurring themes in terms of our biggest concerns; job security is number 1 (+4 vs last quarter), followed by the economy (-4) and debt (-1). Increasing utility bills is the second biggest concern.
- Of the three components of the consumer confidence index two have increased (personal finance +4 and job prospects +2) this quarter, however readiness to spend is unchanged.
- 26% say they have no spare cash once essential living expenses have been covered (-2) while 35% say they put any spare cash they do have into savings (+2), illustrating the cautious mind set that continues to exist.
- In terms of household saving consumers are shopping around for better deals on utilities, loans and grocery shopping but in addition lifestyle changes are hit harder than last quarter; spend less on new clothes (+3), cut down on out of home entertainment (+3) and cut down on holidays / breaks (+7).

GLOBAL CONFIDENCE & CONCERNS

Q2 2013



Q2 2013 GLOBAL CONSUMER CONFIDENCE REPORTED SLOW BUT STEADY IMPROVEMENT

GLOBAL

Global Consumer confidence increased one index point to 94 in Q2 2013 vs last quarter. 45% of 58 countries posted improved confidence levels, compared to 55% in Q1 2013.

The increase was driven by increased perceptions about jobs, personal finances and spending intentions in the U.S., China and Japan which is having a beneficial effect around the world.

REGIONALLY

Quarterly confidence rose in all global regions except Latin America.

North Americans reported the biggest three-month recessionary mind set decline of six percentage points to 69% .

European respondents remained stuck in a spending holding pattern.

Confidence in Middle East/Africa returned to Q4 2012 levels.

Discretionary spending intentions improved in Asia-Pacific.

“

While confidence in Europe remained largely in a holding pattern as financial conditions stabilized, perceptions about jobs, personal finances and spending intentions increased in the world's three largest economies, U.S., China and Japan, which is having a beneficial effect around the world. However, concerns remain that macroeconomic events, such as too sharp a rise in interest rates, can impair the consumer recovery including lowering the demand for home purchases and spending on big-ticket items.

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*Dr. Venkatesh Bala, chief economist at The Cambridge Group,
a part of Nielsen.*

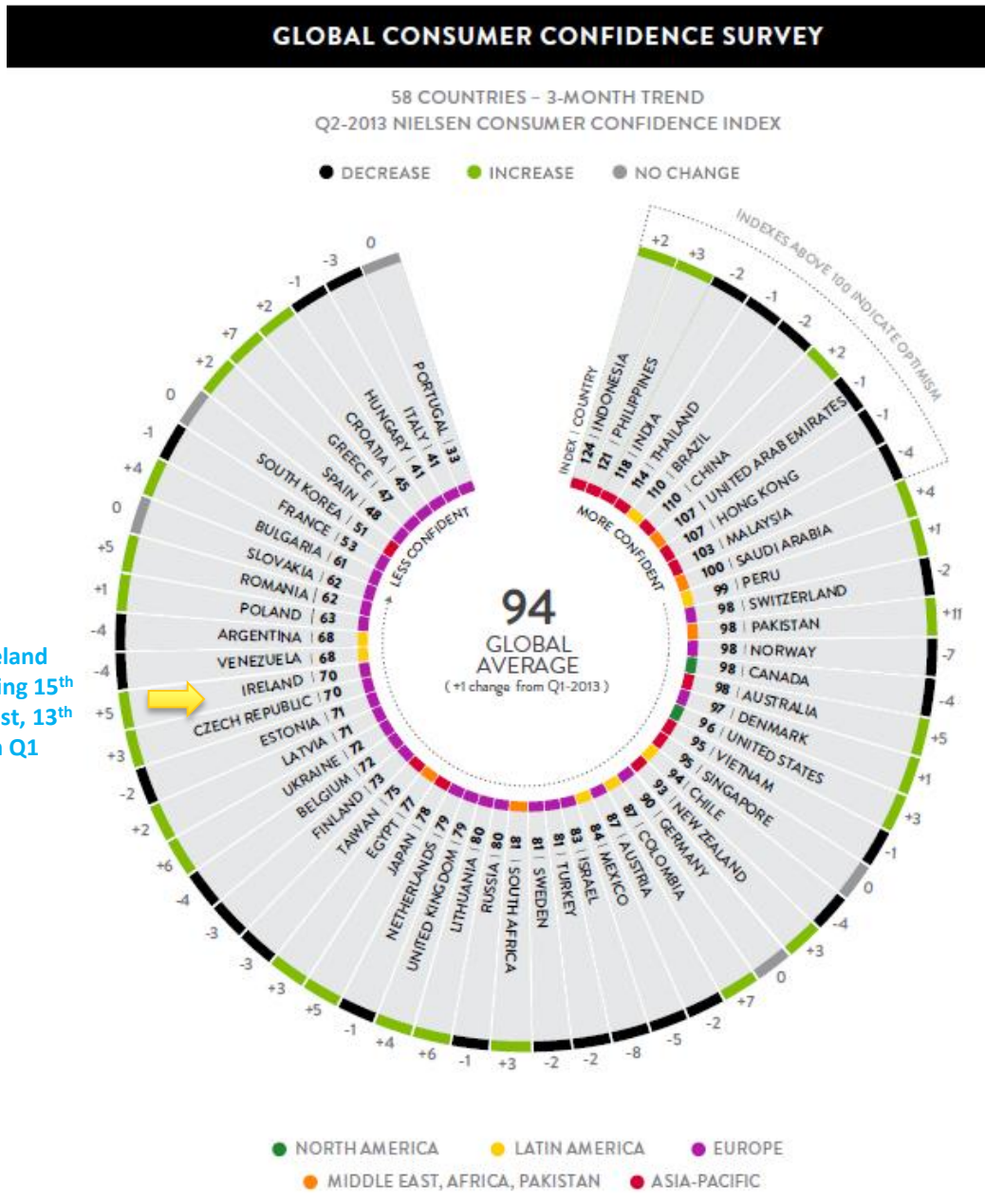
GLOBAL CONSUMER CONFIDENCE Q2 2013

Global consumer confidence indexed at 94 in the second quarter, a one-point increase from the previous quarter (Q1 2013). The increase is part of a slow but steady upward movement reported in the first half of the year.

Consumer confidence improvements were reported in Asia-Pacific (+2 to 105), North America (+2 to 96), and Middle East/ Africa (+6 to 91), compared to the previous quarter. Europe's consumer confidence index held steady at 71 for three consecutive quarters, and Latin America's confidence declined one index point to 93 in Q2.

Europeans were in a spending holding pattern in the second quarter and actions to save on household expenses increased as unemployment rates in many European markets were high and confidence in the economic outlook for the rest of the year remained weak.

Ireland ranking 15th lowest, 13th in Q1



Source: Nielsen Global Online Survey - Q2 2013

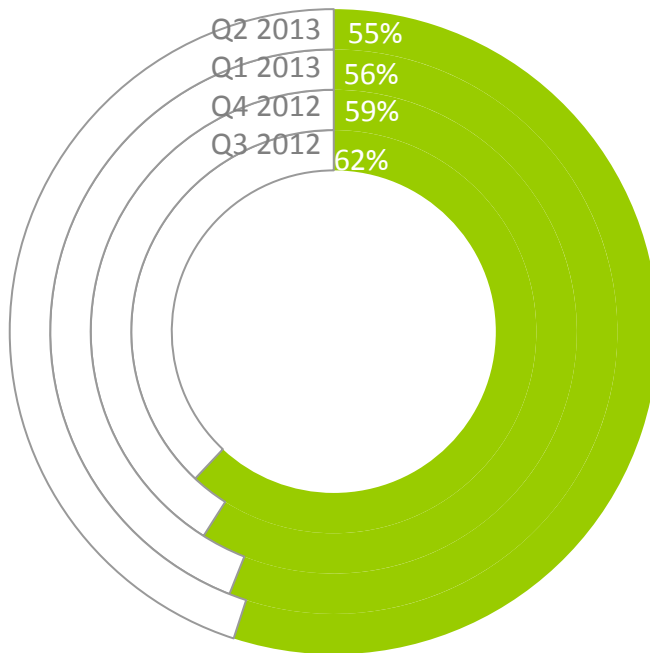
*Survey is based on respondents with Internet access. China survey results reflect a mixed methodology. Index levels above and below 100 indicate degrees of optimism/pessimism.

GLOBAL RECESSIONARY SENTIMENT Q2 2013

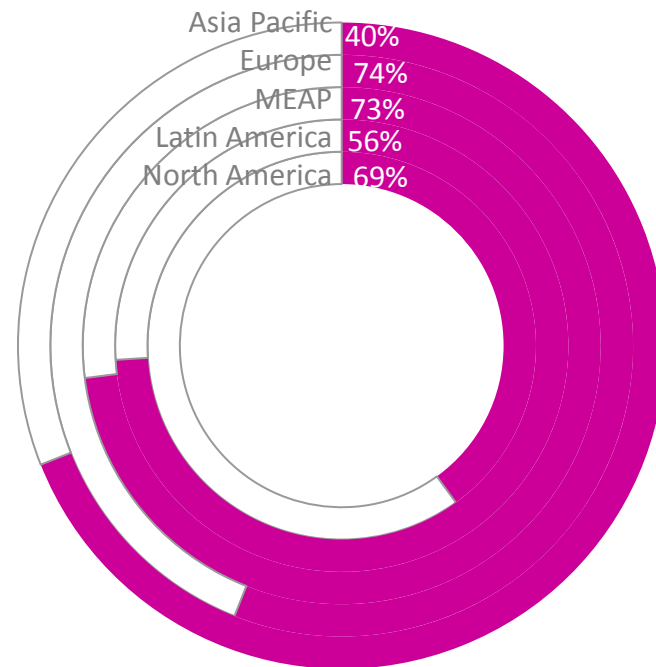
Very slight improvement on Q1 in that 55% of global respondents said they were in a recession (56% last quarter). Europe most pessimistic at 74% and furthermore, 64% of European respondents feel the recession will continue for another 12 months.

Recessionary Sentiment

Percent globally saying the country is in a recession



By Region



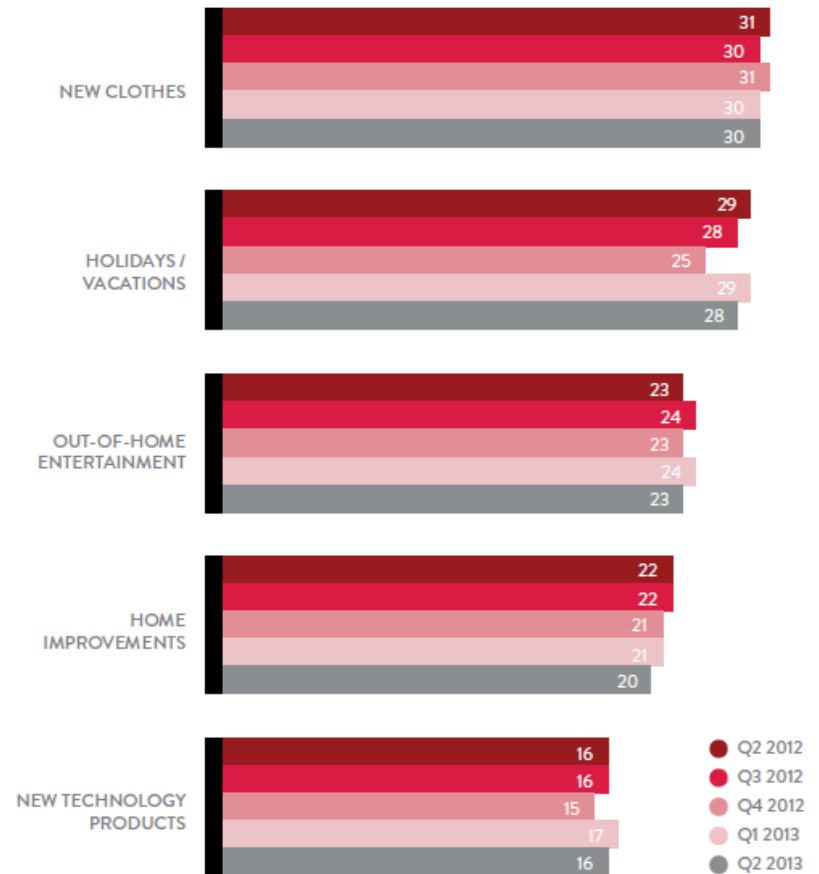
SPENDING IN EUROPE STAGNATED; ACTIONS TO SAVE INCREASED

Fewer European respondents planned to spend discretionary income on holidays/vacations, out-of-home entertainment, home improvements, and new technology products, declining one percentage point each from three months ago. One-third of European respondents planned to put spare cash into savings, and 21 percent had no spare cash to spend.

Consumer confidence in Germany, the world's fourth-largest economy, held steady with an index of 90 for two consecutive quarters. Confidence increased in the United Kingdom by four index points to a score of 79. Second-quarter confidence declines were reported in Russia (80), France (53), and Italy (41), declining one, one, and three index points, respectively.

EUROPEANS REMAINED IN A SPENDING HOLDING PATTERN

PERCENT UTILIZING SPARE CASH AFTER COVERING ESSENTIAL LIVING EXPENSES



Source: Nielsen Global Survey of Consumer Confidence, Q2 2013
Based on respondents with online access only.

An abstract graphic on the left side of the page features a dense, overlapping web of thin, curved lines in various colors (red, blue, green, yellow, purple). Several lines terminate in small colored dots (yellow, green, purple, red) that point towards the center of the page. The lines originate from a vertical black bar on the far left edge.

IRELAND CONSUMER CONFIDENCE, AND SPENDING INTENTIONS

Q2 2013



Ireland Headlines

While we are seeing a welcome increase in consumer confidence, the Irish consumer remains cautious, continuing to cut and save where possible. Possibly it is some positive news around general economic conditions in Ireland which have fuelled increased confidence, however this has not changed behaviours yet.

IRELAND

Consumer confidence up 5 points at an index of 70 in Q2 2013.

Recessionary mind-set still at 95% (unchanged).

Only 16% are optimistic about future job prospects (but this is +2 versus Q1), and reflects some improvements in employment in Ireland.

34% are optimistic about their Finances (again +4 versus Q1).

Only 26% are ready to spend (unchanged versus Q1).

Concerns and Spending Intentions this Quarter vs. last

Biggest Concerns are Job Security (+4), the Economy (-4) and Debt (-1).

78% say they have changed household spending in order to save (-7).

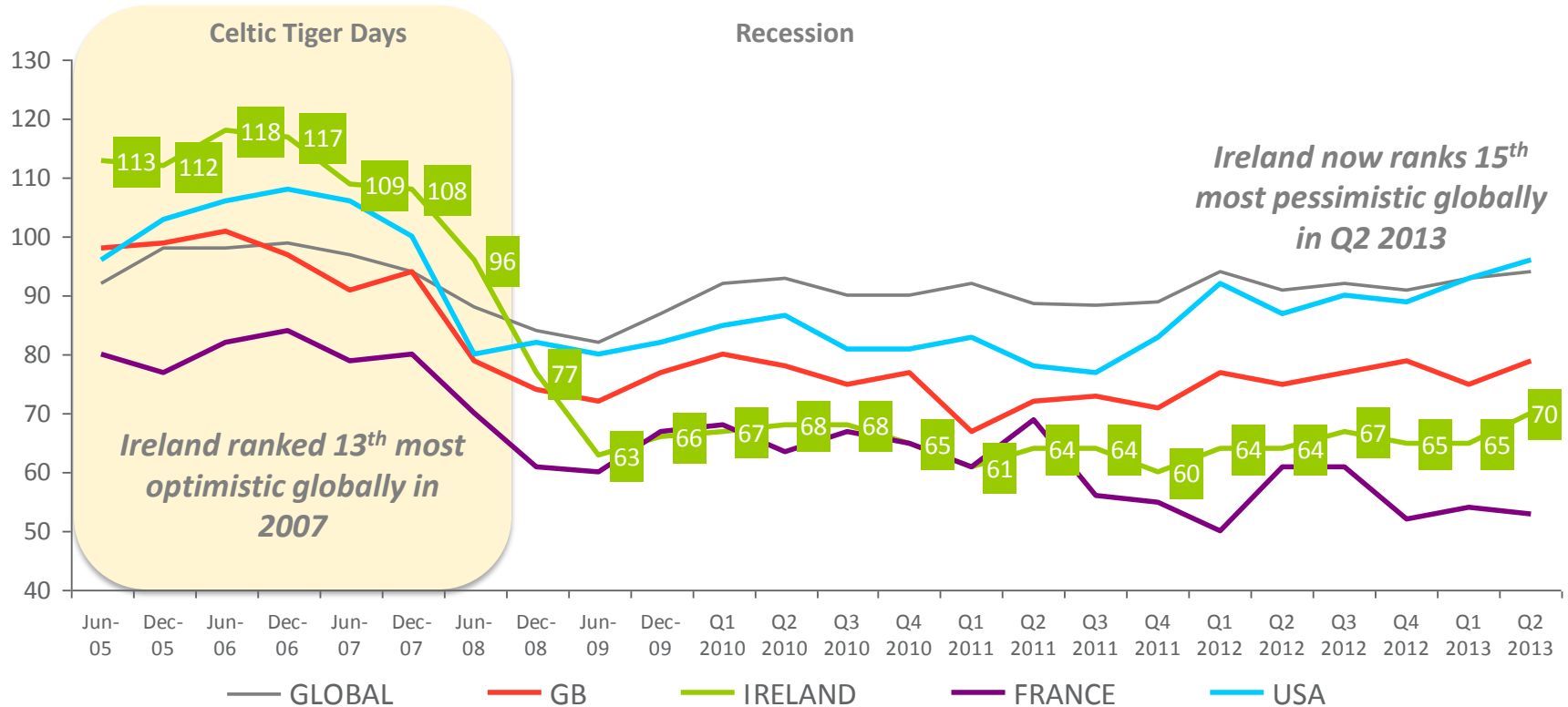
Those with 'no spare cash' decreases (-2) to 26%, while those putting spare cash into Savings increases (+2) to 35%.

An increase to 69% (+3) for those 'Switching to Cheaper Grocery Brands'.

IRELAND CONSUMER CONFIDENCE Q2 2013

A substantial improvement in sentiment this quarter at 70 (+5pts vs Q1 2013, +6pts on Q2 2012). This is the highest score since Q3 2008, before the Recession. Despite ongoing demands on hard pressed citizens through the implementation of the property tax, some good news may be seeping through; unemployment is down (to 13.7%) and a cut in ECB interest rates together with low inflation maybe easing some of the burden.

Ireland Consumer Confidence Index trend 2005-2013 (versus Global, EU, UK, France and USA)



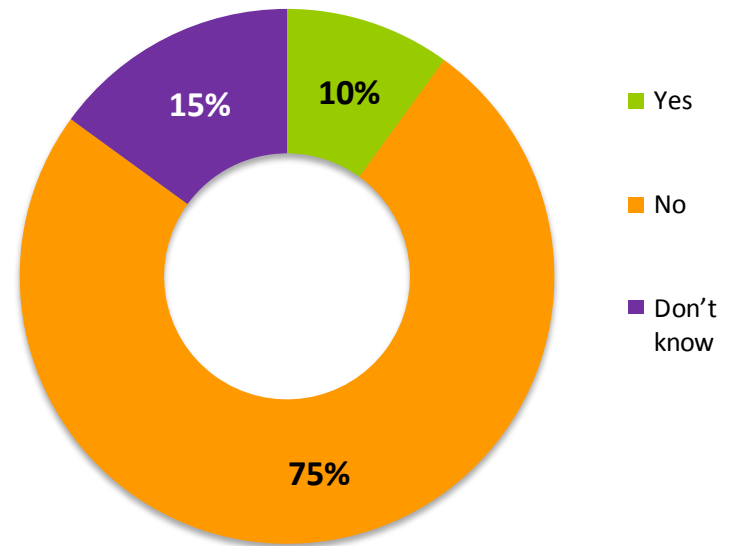
ARE WE COMING OUT OF RECESSION?

For the second quarter in a row there is *slightly less pessimism* that we will still be in a recession in 12 months time (75% versus 78% in Q1 2013 and 81% in Q4 2012).

“Q - Do you think your country is still in an economic recession at moment?” Q2 2013

95%
**say we are
still in
recession**

“Q - Do you think your country will be out of an economic recession in the next 12 months?” Q2 2013

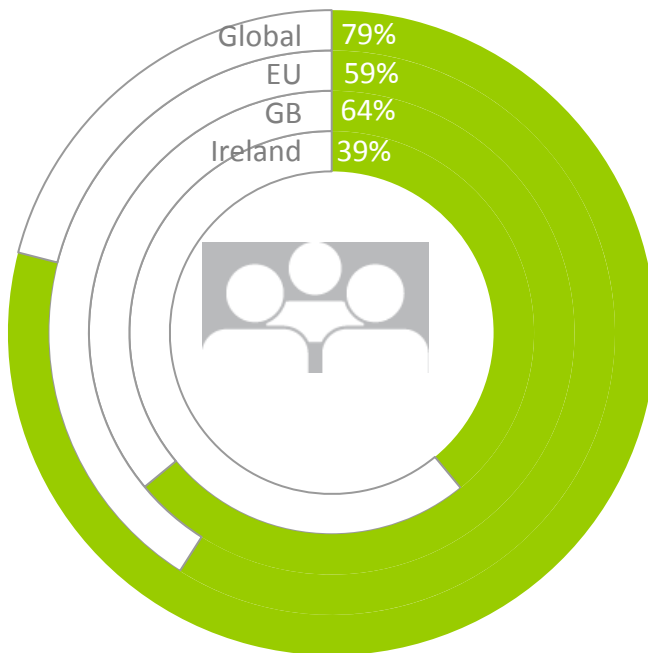


IRELAND BUSINESS AND EMPLOYMENT

A poorer outlook on general business conditions as 39% of respondents rated them as good / normal in Ireland compared to 44% in the last quarter. Almost two thirds still saying say jobs are 'hard to get' (+1). Both continue to rank behind Global and EU averages.

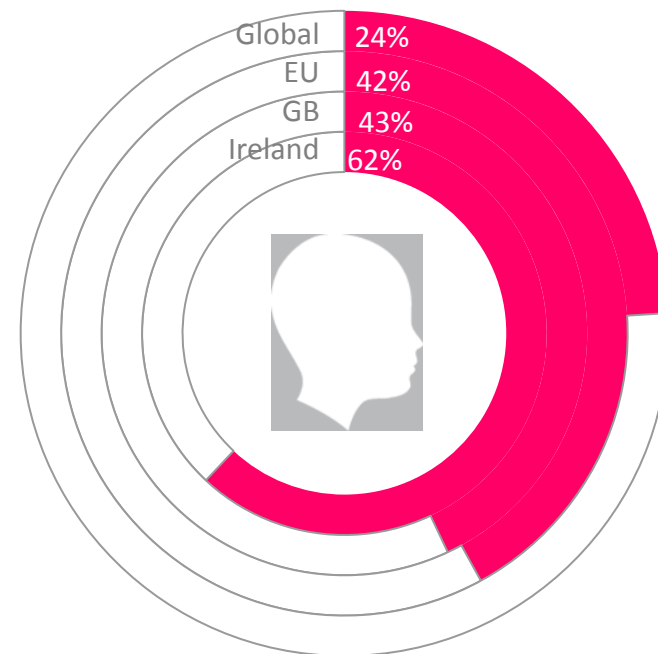
General Business Conditions

Percent saying they are Good / Normal



Availability of jobs in my area

Percent saying they are 'hard to get'



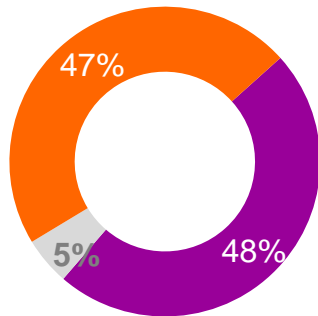
HOW WE FEEL ABOUT JOB PROSPECTS

Unemployment figures have fallen slightly 13.7% (CSO, May 2013 versus 14.0% March 2013) and in accordance there has been a little more optimism about the future 12 months; respondents who answered job prospects will be good/excellent has increased from 14% (Q1 2013) to 16%.

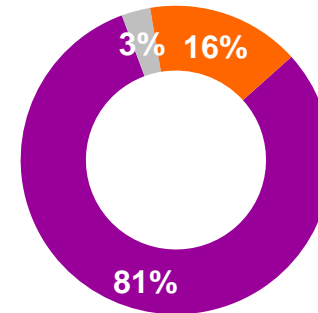
“Q - Do you think job prospects in your country over the next 12 months will be... Q2 2013”

Jobs

Global

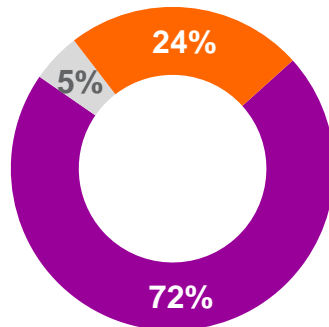


Ireland

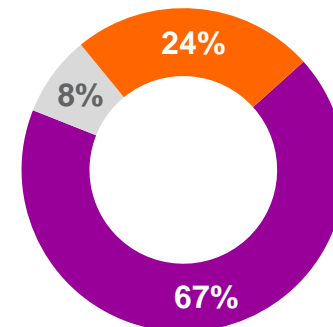


- Bad / Not so Good
- Don't Know
- Good / Excellent

EU



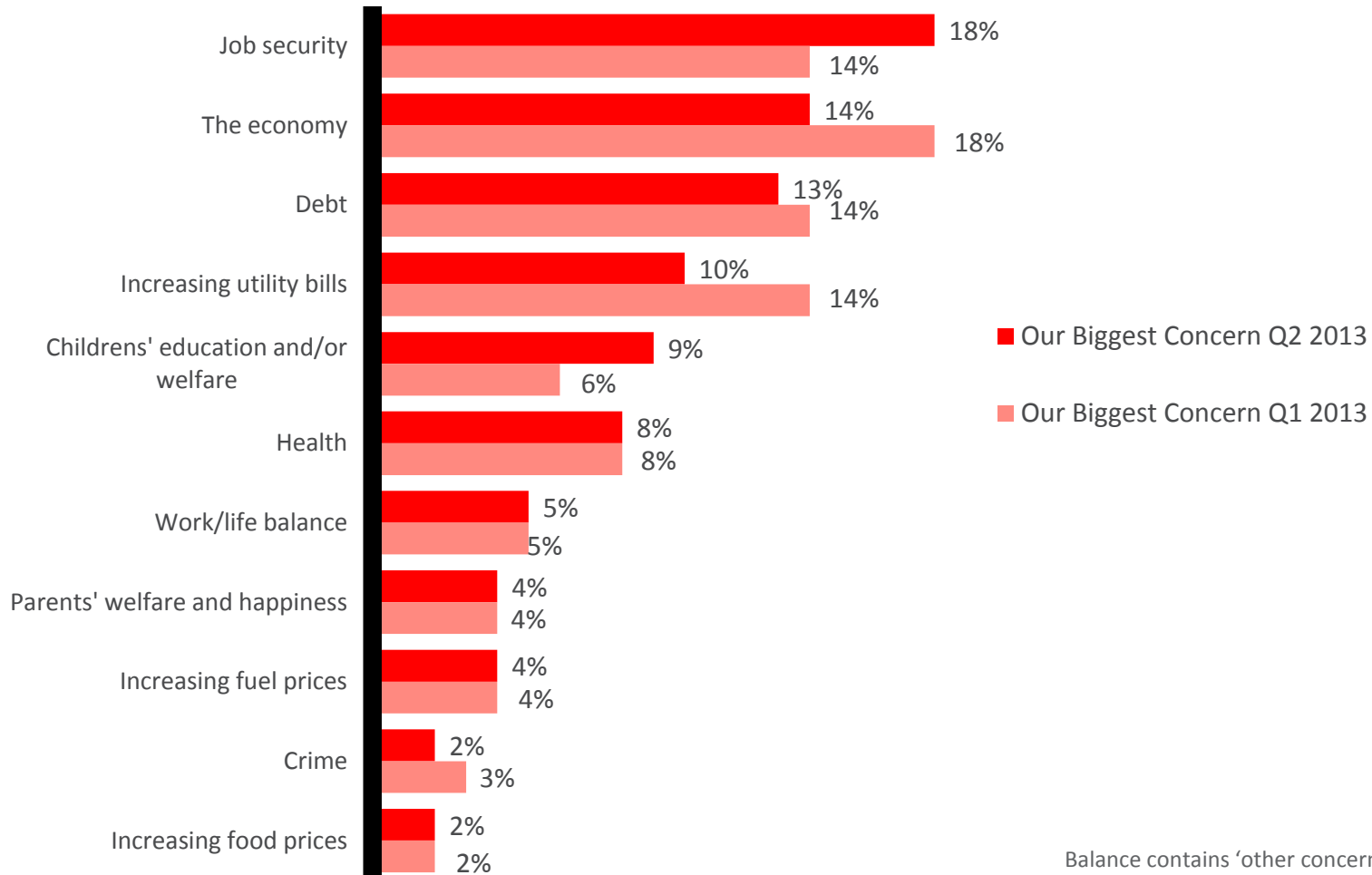
GB



OUR BIGGEST CONCERNS ...

Job security moves into the #1 position as our primary concern this quarter, while the economy, debt and increasing utility bills ranked higher in the last quarter. Our overall second biggest concern this quarter is Increasing Utility Bills (18%)

‘What is your biggest concern over the next six months?’



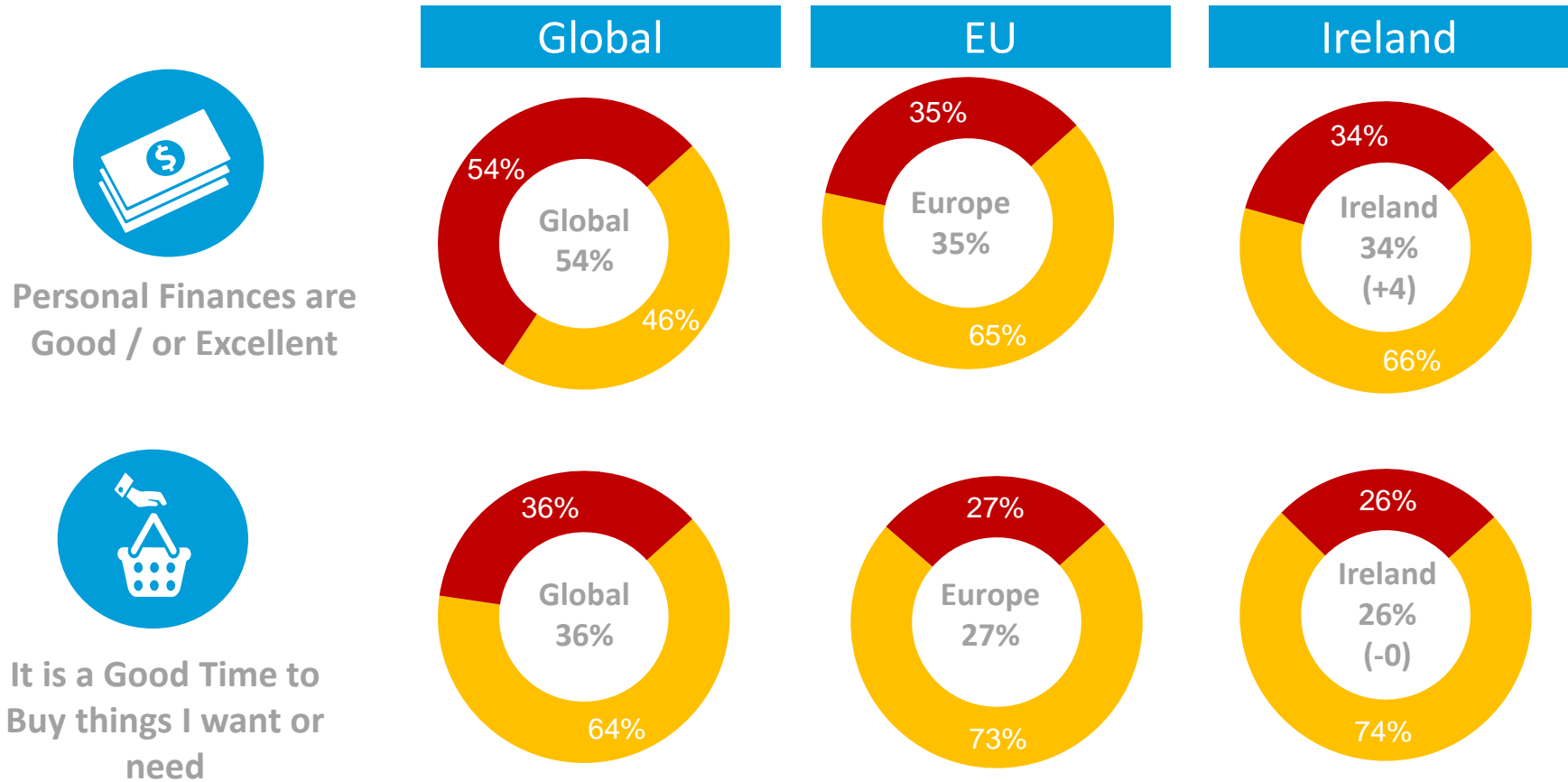
Balance contains 'other concerns' 6% Q1 2013, 7% Q2 2013
Source: Nielsen Global Online Survey – Ireland Results Q2 2013

CONCERNS

PERSONAL FINANCES AND READINESS TO SPEND

Another improvement on key personal finance indicator as 34% believe their finances are in a good place (vs. 30% in Q1 2013). However there is still a reluctance to spend where only a quarter believe it is a good time to buy (unchanged on Q1 2013).

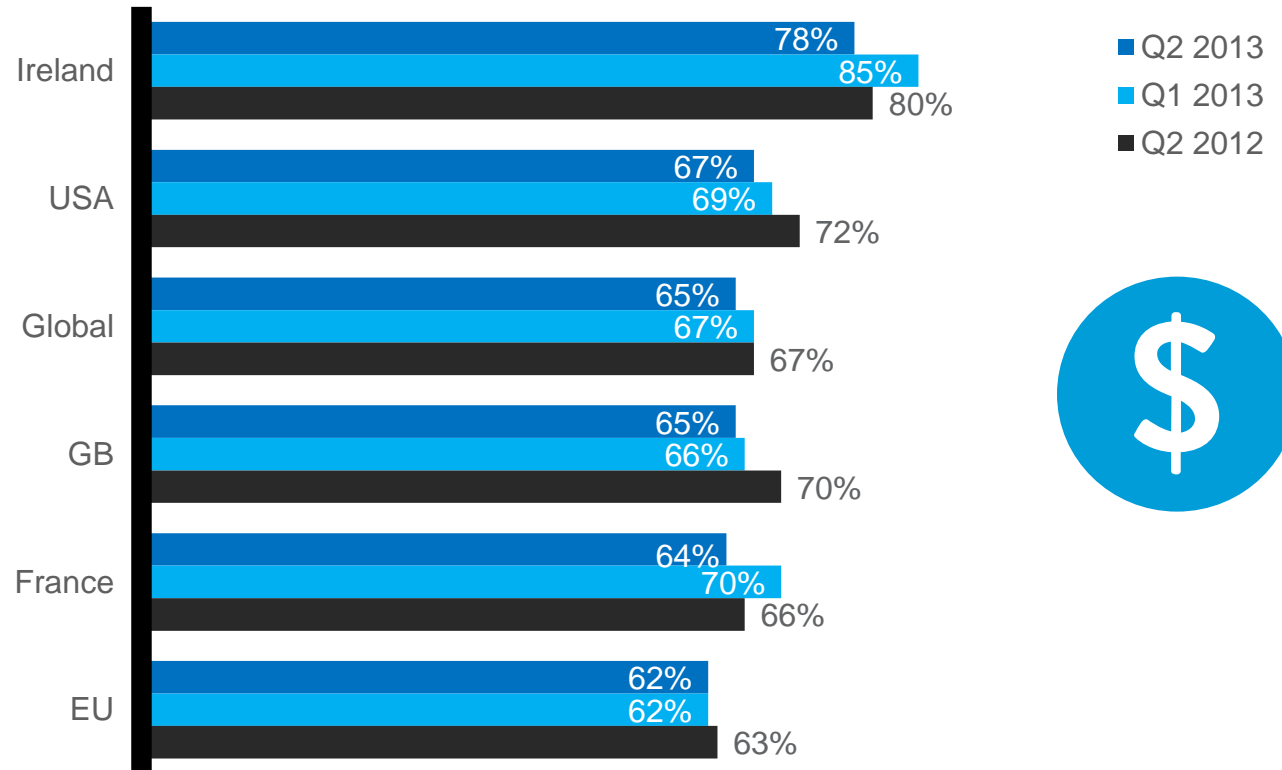
'State of Personal Finances / Readiness to Spend?' Q2 2013 Ireland



HAVE WE CHANGED SPENDING HABITS

Irish consumers have had to respond to the effects of the recession by changing their spending to save on household bills. This quarter 78% of respondents answered yes, -2pts on the same period last year but +16% higher than the EU average (62%).

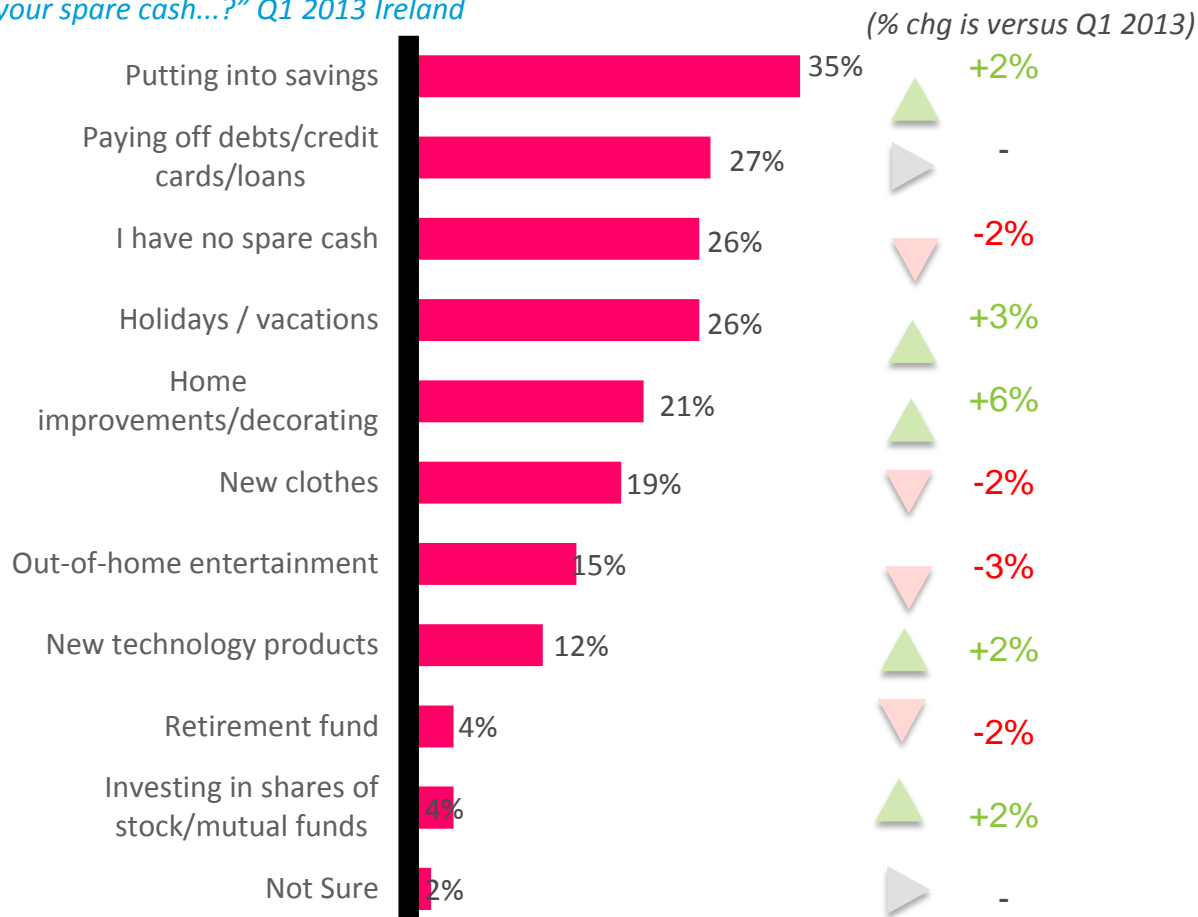
'Compared to this time last year, have you changed your spending to save on household expenses?' Q1 2013



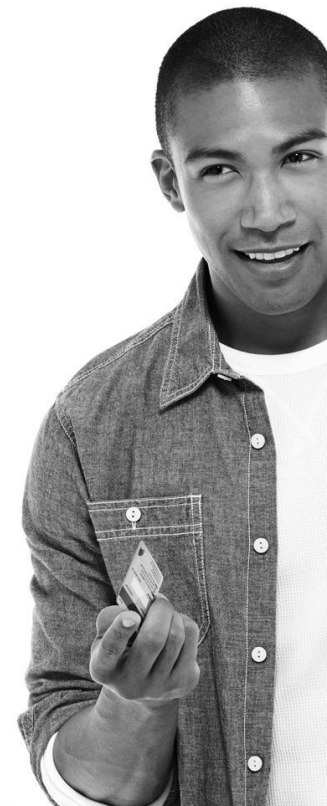
WHERE DO WE SPEND OUR SPARE CASH?

Saving continues to be the top action up 2pts on the last quarter. A chink of light may be evident in the fact that those saying they have no spare cash has fallen 2pts on Q1 2013 and spending on holidays is up 3pts (although doubtless the poor weather has had a part to play here!). Home improvements /decorating has seen the largest jump (+6pts), reflected in recent CSO retail figures (Hardware, Paints & Glass +14% volume increase; May 2013).

"Q - Once you have covered your essential living expenses, which of the following statements best describes what you do with your spare cash...?" Q1 2013 Ireland



SPARE CASH

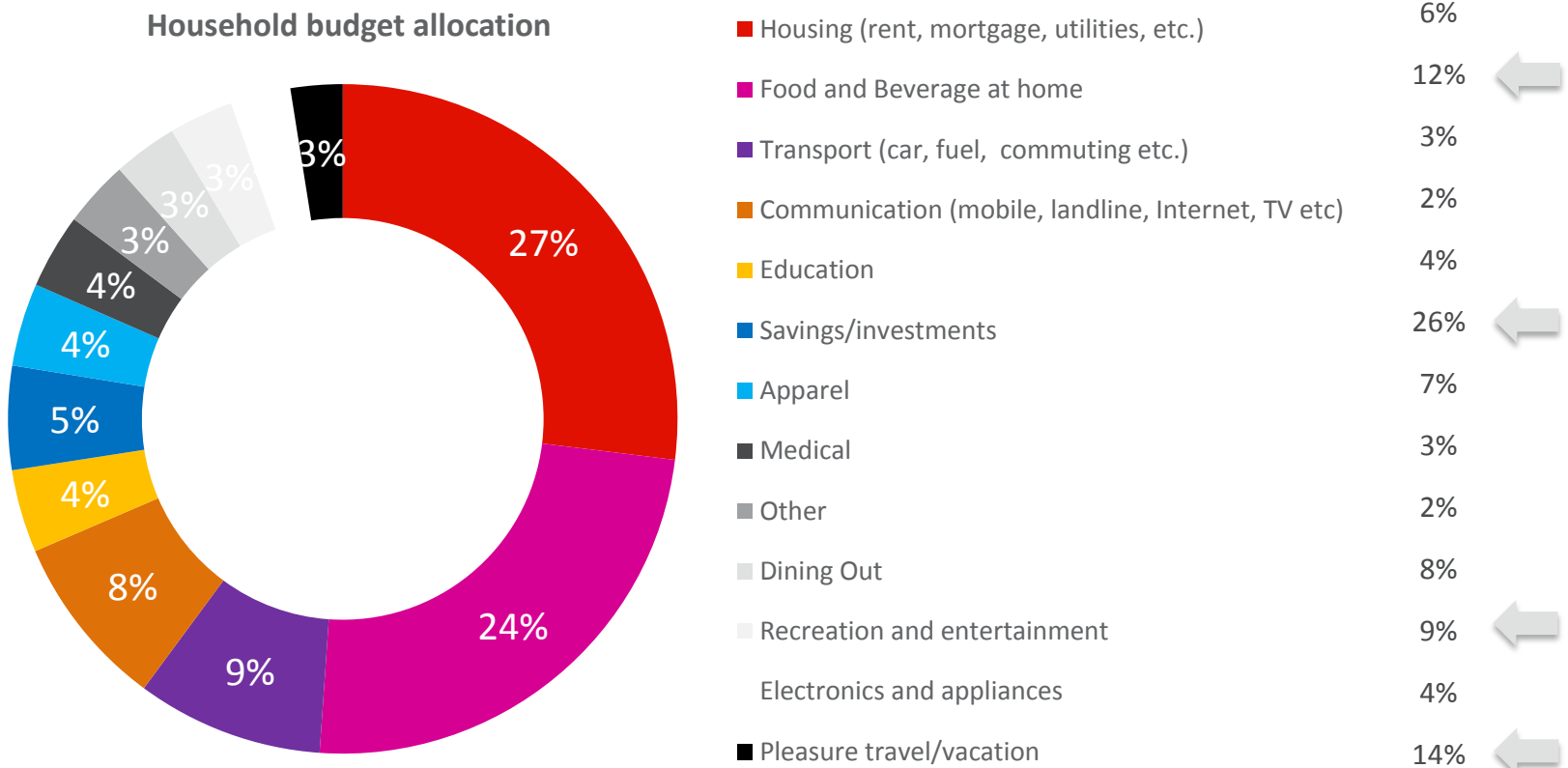


MONTHLY BUDGET ALLOCATION

Bills and Groceries take up almost 70% of the household budget. If we had 10% extra budget, allocating more to Savings/Investments is priority but also non essential purchases or enjoyment such as recreation, entertainment and holidays.

“Q - In an average month, what percent of your total monthly budget is allocated to the following categories?” Q2 2013 Ireland

(If you had an extra 10% allocation, what % of the extra budget would you allocate to)



HOUSEHOLD SAVING STRATEGIES

The cutting continues; switching to cheaper grocery brands has increased 3pts as has cut down on out of home entertainment.

“Q. Compared to this time last year, which of the following actions have you taken in order to save on household expenses? Q2 2013 Ireland

DOMESTIC

Save on Gas & Electricity 72% (+7%)

Switch to Cheaper Grocery Brands 69% (+3%)

Cut down on Telephone Expenses 48% (+2%)

Look for Better Deals on Loans etc. 45% (+7%)

Delay Upgrading PC or Mobile 44% (-)

Delay Replacing HHLD items 41% (-)

LIFESTYLE

(% chg is versus Q1 2013)

Spend Less on New Clothes 69% (+3%)

Cut down on OOH Entertainment 62% (+3%)

Cut down on Take-Aways 60% (+2%)

Cut down on Holidays/Breaks 54% (+7%)

Use my Car less often 37% (+1%)

Cut Down /buy Cheaper Brands of Alcohol
30% (-3%)

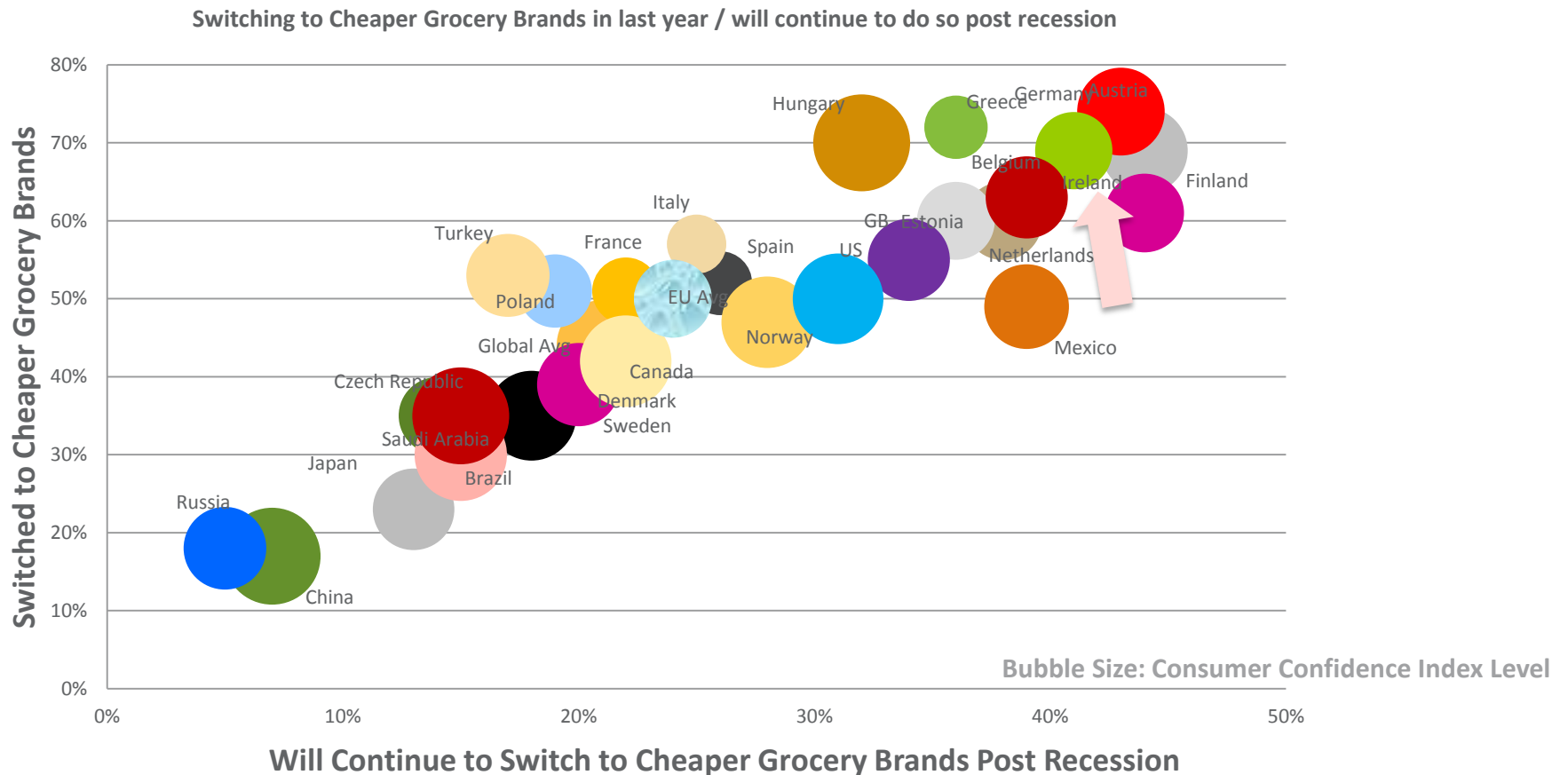
Cut down on At-Home Entertaining 24% (-2%)



SWITCHING TO CHEAPER GROCERY BRANDS

Notably Ireland remains near the top of the list of countries saying *they will continue* to switch to cheaper grocery brands post-recession.

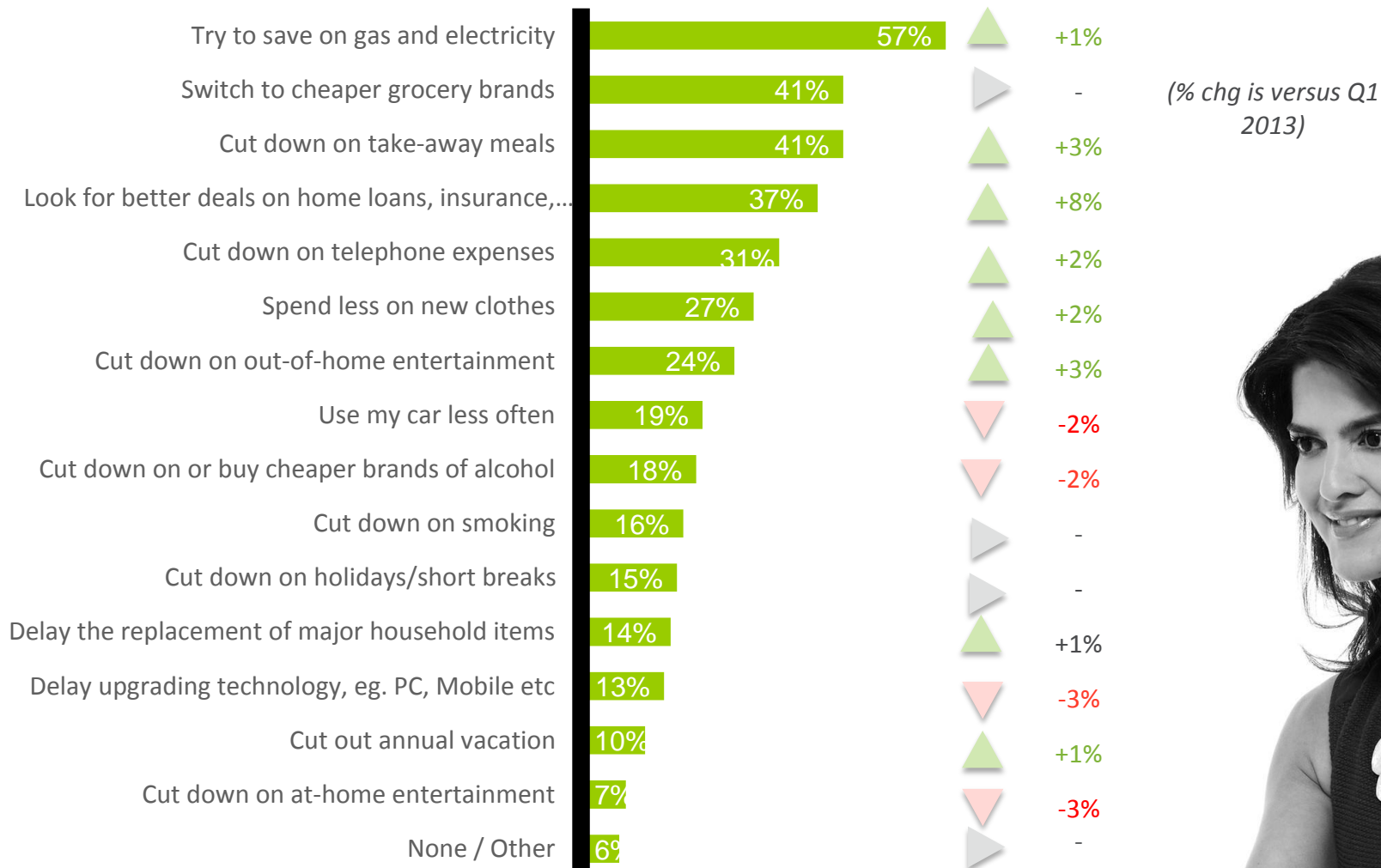
‘Compared to this time last year, have you changed your spending to save on household expenses?’ Q2 2013



POST RECESSION?

It is clear that saving on bills and getting better deals will continue to be at the forefront of consumers minds once economic conditions improve.

"Q When economic conditions do improve, which of these savings do you expect you will continue to do?" Q2 2013 Ireland



Source: Nielsen Global Online Survey – Ireland Results Q2 2013



ABOUT THE Q2 2013 NIELSEN GLOBAL CONSUMER SURVEY

The Nielsen Global Survey of Consumer Confidence and Spending Intentions was conducted between May 13–31, 2013, and polled more than 29,000 online consumers in 58 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 their Internet users, and is weighted to be representative of Internet consumers and has a maximum margin of error of $\pm 0.6\%$. This Nielsen survey is based on the behavior of respondents with online access only. Internet penetration rates vary by country. Nielsen uses a minimum reporting standard of 60 percent Internet penetration or 10M online population for survey inclusion. The China Consumer Confidence Index is compiled from a separate mixed methodology survey among 3,500 respondents in China. The Nielsen Global Survey, which includes the Global Consumer Confidence Index, was established in 2005.

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