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FOR IMMEDIATE ISSUE

MORE THAN HALF OF ALL AUSTRALIANS FEAR A GLOBAL DEPRESSION

SYDNEY. 21 January, 2009 — TNS, the global market insight and information group, has today released the results of its **Financial Crisis Study**, showing that the majority of consumers across five countries expect a global depression. The study looks at how the global financial crisis is affecting consumers in five key countries; the UK, France, Germany, the US, and Australia.

As John Shearer, Director with TNS Finance and Business notes, “The consumer confidence indices we run in a number of the major economies have been trending downwards sharply as the Global Financial Crisis has unfolded. Our Financial Crisis Study was about getting behind these indices to really understand how the consumers’ outlook is being shaped by the current crisis.”

One of the most significant findings of the new report confirms that a majority of consumers believe that the **crisis will continue for at least another one or two years**. Consumers in the UK (59%), France (56%) and the US (57%) were more pessimistic than Australian consumers (51%), while German consumers (49%) were slightly less likely to feel the crisis would be long-lived.

Of more concern for businesses and policy makers is that the decline in consumer sentiment is such that **the majority are thinking in terms of Depression rather than recession**. Indeed a majority of consumers across all five countries think the problems in the economy will soon lead to a global Depression. As John Shearer notes, “Consumer sentiment is weakest in the UK, where more than 7 in 10 consumers fear a global Depression. But even here in Australia 57% of consumers think the economic crisis will be of Depression rather than recession proportions. This isn’t far off the 60% of US consumers who likewise fear a global Depression.”

The depth of consumer sentiment is likely to have real economic impacts as we move into 2009, with a large majority of consumers saying they will cut back spending. In Australia, almost **7 in 10 consumers (69%) say they will have to cut back spending**. This compares with 80% in the US, and around 70% in the UK, France and Germany.

Consumers are starting to change their financial priorities, as John Shearer notes, “We asked Australian consumers how they would use a windfall of \$1,000 and, on average, only around \$220 would be spent, with the rest being saved or used to pay down debt. This clearly reflects a growing cautiousness among consumers, and means government stimulus programs might not be as effective as hoped in the current economic climate.”

Shearer added, “As the economic downswing gathers pace, more and more consumers will also have concerns about their job in the back of their minds.” Indeed, a ***third of Australians are concerned that their jobs will be at risk due to the Global Financial Crisis***. Surprisingly, this is as high as the levels of concern in the US (33%) and the UK (29%), where so far the downturn has been more severe.

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About the Financial Crisis Study

TNS conducted an online study of over 4,700 consumers aged 16 to 64 across Australia, UK, US, France and Germany, with interviews conducted during December 2008.

About TNS

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TNS is the world's leading provider of customised services, combining sector knowledge with expertise in the areas of Product Development & Innovation, Brand & Communications, Stakeholder Management and Retail & Shopper. TNS is a major supplier of consumer panel, media intelligence and audience measurement services.

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