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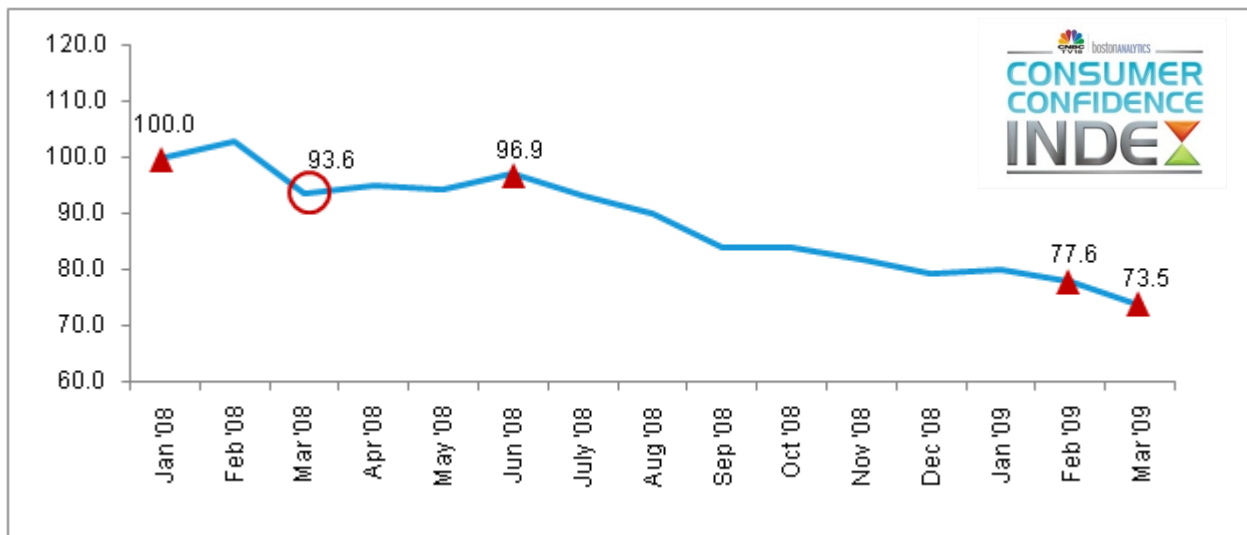
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**CONSUMER CONFIDENCE FALLS FURTHER,
 SIGNALING A WORRISOME AND DEEPENING SLOWDOWN**

MUMBAI, April 2, 2009 – CNBC TV18 and Boston Analytics released the CNBC-TV18 Boston Analytics Consumer Confidence Index for March 2009. The index for March 2009 stood at 73.5, a fall of 5.6% from February '09 reading of 77.6. The index value for Mar '09 is the lowest since the inception of the index in Jan '08. The March survey sends reveals there is strong undercurrent of fear in the minds of the Indian consumer. Weakening optimism about economic and personal finance conditions and deepening pessimism about employment conditions seem to be the key reasons for the massive decline in sentiments.

The index is designed to measure consumer confidence in India on a monthly basis. The index is derived from a monthly survey of nearly 10,000 respondents across 15 Indian cities, which makes it the largest and most comprehensive exercise of this kind in the country. The index is a monthly barometer of the opinion of Indian consumers regarding the current state and future expectations of the macro economy, household financial conditions and consumption. The index is computed from responses to 25 questions covering various variables known to affect consumer confidence. These variables pertain to general economic conditions, employment, inflation, interest rates, real estate, household financial conditions, household income, household spending plans, and savings.

The exhibit below shows the CNBC-TV18 Boston Analytics Consumer Confidence Index between January 2008 and March 2009.



Source: Boston Analytics

The CNBC-TV18 Boston Analytics Consumer Confidence Index consists of two sub-indices – the Current Situations Index and the Future Expectations Index. Both the Current Situation Confidence Index and Future Expectations Confidence Index were at lower levels compared to the previous month. The Current Situation Confidence Index stands at 71.3 for March 2009, a decline of 5.8% from the previous month's level of 75.7. Similarly, the Future Expectations Confidence Index also registered a decline in the last month, decreasing by 1% from 77.8 in February 2009 to 77.1 in March 2009.

The index, a leading indicator variable for tracking business cycles, has been showing a downward trend for the last twelve months (since its first sharp fall in March 2008). There are five derived indices too

covering employment conditions, inflation, real estate, savings, and consumer spending. While the employment confidence index saw a 10.5% fall in Mar, its sharpest fall since Nov '08, the consumer spending confidence inched up 10%.

Commenting on this positive trend, a CNBC-TV18 spokesperson said that, "The only way to read the positive number in the consumer spending confidence is a decline in pessimism levels and not a trend reversal. This could be attributed to the government efforts to prop up demand. Also, the positive sentiment is largely evident in Tier III towns and continues to remain negative in metros and most Tier I cities."

"The CNBC-TV18 Boston Analytics Consumer Confidence Index is clearly signaling a worrisome slowdown and the latest figure suggests that it is premature to speculate that the economy will recover in the short run" said **Dr. Sam Thomas, Ph.D., Director of Research and Development at Boston Analytics.**

The March reading continues to reflect a drop in consumer confidence in both current and future expectations of economic conditions. The primary negative drivers this month were declining confidence in household income, job security, and general economic conditions. In particular, consumers were gloomy about the state of the labor market and they expressed fear of further hardship to come. On a somewhat positive note, the consumer spending portion of the data does suggest that there is some early evidence that lower interest rates are beginning to make an impact in a few cities by improving the extreme pessimism in consumer spending plans that was observed there in prior months.

About the CNBC-TV18 Boston Analytics Consumer Confidence Index

The index is designed to measure consumer confidence in India on a monthly basis. The index is derived from a monthly survey targeting 10,000 respondents across fifteen Indian cities—Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Bangalore, Ahmedabad, Chandigarh, Nagpur, Kochi, Jaipur, Lucknow, Bhubaneswar, Patna, and Vishakapatnam. The sample is stratified based on the socio-economic characteristics of the Indian population in order to ensure sufficient sample sizes for sub-groups of interest. All data are collected via face-to-face interviews. The index is computed from responses to 25 questions covering various variables known to affect consumer confidence. These variables pertain to general economic conditions, employment, inflation, interest rates, real estate, household financial conditions, household income, spending plans, and savings. The index value in January 2008 was set to 100 to serve as the starting benchmark value of the time series. Inspired by the product design and index computation methodologies of consumer sentiment and consumer confidence indices across the world, the index has been adapted to the Indian economy's unique conditions.

About CNBC-TV 18: CNBC-TV18 is the undisputed leader in the business. The channel's benchmark coverage extends from corporate news, financial markets coverage, expert perspective on investing and management to industry verticals and beyond. CNBC-TV18 has been constantly innovating with new genres of programming that helps make business more relevant to different constituencies across India. CNBC-TV18 is currently available in over 30 million households in India

Boston Analytics provides its corporate, consulting and financial clients the most current, accurate and actionable research and analysis—so they can be the first to uncover and exploit opportunities. The firm's work powers knowledge processes and enables effective decisions at all levels of its clients' businesses. Boston Analytics brings together leading analytical minds worldwide, delivers robust offerings of knowledge services, and works as a genuine partner. Boston Analytics is headquartered in Boston with offices in New York, London, and Mumbai. For more information visit www.bostonanalytics.com

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