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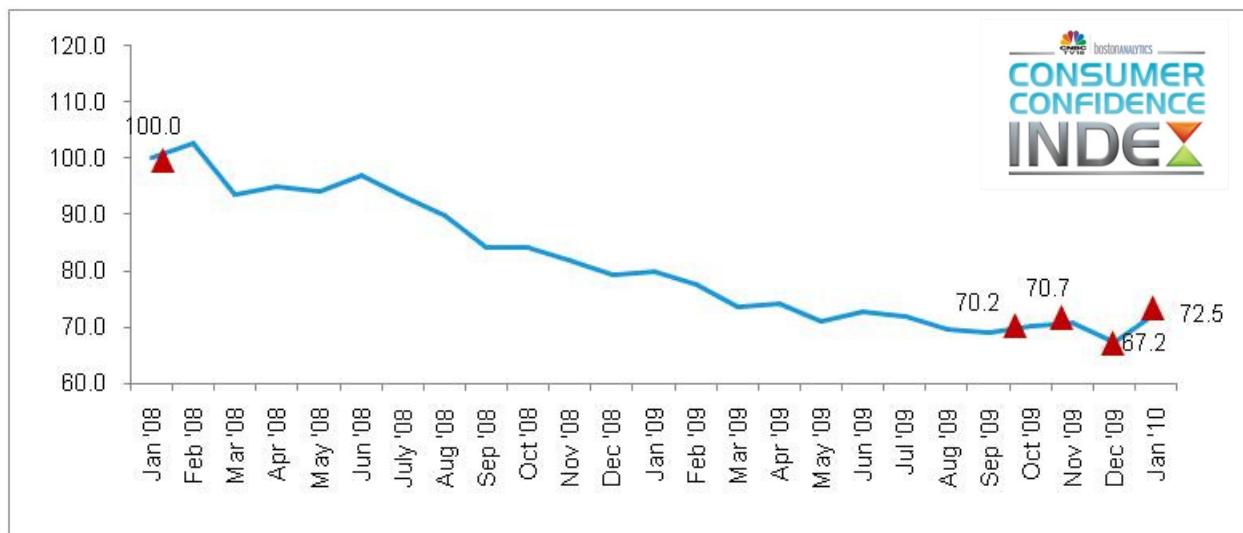
AFTER MONTHS OF EXHIBITING VOLATILITY, CONSUMER CONFIDENCE RISES TO 72.1 REGISTERING A 7.8 PERCENT INCREASE IN JANUARY 2010. RISE IN SENTIMENT RELATED TO CONSUMER SPENDING, INFLATION AND EMPLOYMENT APPEAR TO BE DRIVING THE COMPOSITE

MUMBAI, February 3, 2010 – Today CNBC TV18 and Boston Analytics released the CNBC-TV18 Boston Analytics Consumer Confidence Index for December 2009. The index is designed to measure consumer confidence in India on a monthly basis. The index is derived from a monthly survey targeting nearly 10,000 respondents across fifteen 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 different 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 index for January 2010 stands at 72.5, an increase of 7.8 percent from December’s reading of 67.2. It is encouraging to see that sentiment related to a majority of the components of the composite have exhibited signs of improvement. Rise in sentiment related to the nation’s overall economic conditions, personal financial conditions, consumer spending, inflation, interest rates, and employment appear to be driving the composite upwards.

While it appears that the bottoming process has matured with multi-month moving averages beginning to show signs of a change in trend, next month’s numbers will bring more clarity in ascertaining the likely direction of the state of consumer confidence in urban India.

The exhibit below shows the CNBC-TV18 Boston Analytics Consumer Confidence Index between January 2008 and January 2010.



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 the Future Expectations Confidence Index registered an increase in the last month. However, the Current Situation Confidence Index registered a significantly higher growth rate than the Future Expectations Confidence Index.

The Current Situation Index for January 2010 stands at 78.8, an increase of 7.5 percent from December's reading of 73.3. The Future Expectations Confidence Index increased by 2.6 percent from 63.8 in December 2009 to 65.5 in January 2010.

"The improvement in confidence noted in our January 2010 survey is particularly encouraging because it is supported by improvements in the major subcomponents also. We hope that the next few months will show a distinct turn upwards in the major trend. While worries about the state of employment conditions and retail inflation remain the dominant factors leading to austerity in spending plans and an increased propensity to save, we did see some relative improvement in sentiment along these dimensions in January," said **Dr. Sam Thomas, Ph.D., Director of Research and Development at Boston Analytics.**

"In the January 2010 survey, Metros and Tier I cities had the highest number of respondents willing to spend more on consumer goods in the near future. Disaggregation of this consumer spending sentiment shows several noteworthy differences in sentiment across the larger cities," said **Debopam Chaudhuri, Economist, Boston Analytics.** "We saw a distinct and significant rise in optimistic respondents in the southern cities of Bengaluru, Chennai and Hyderabad, while sentiment in the northern cities of Delhi and Kolkata declined. Mumbai did not see much of a change in January 2010."

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 Vishakhapatnam. 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. Monthly reports—Executive Summary and Full Report and the Data Sets—Nationwide Aggregate and City-wise Disaggregate Data are available for purchase from Boston Analytics at www.bostonanalvtics.com/India_Watch/India_Watch.html