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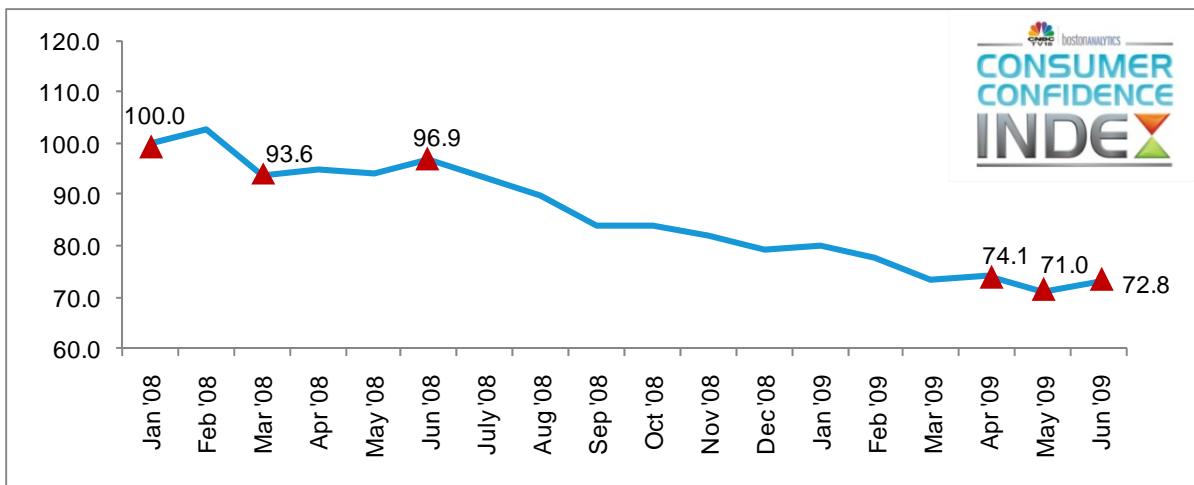
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**CONSUMER CONFIDENCE WITNESSES A SMALL BOUNCE IN JUNE DRIVEN BY OPTIMISM REGARDING THE MACROECONOMIC ENVIRONMENT AND THE NEW GOVERNMENT’S GROWTH AGENDA**

**MUMBAI, June 30, 2009** – Today CNBC TV18 and Boston Analytics released the CNBC-TV18 Boston Analytics Consumer Confidence Index for June 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 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 CNBC-TV18 Boston Analytics Consumer Confidence Index for June stands at 72.8, registering an increase of 2.5% from May’s reading of 71.0. The combination of improving economic outlook, improvement in pessimism about employment conditions, strength in optimism regarding household income and personal financial conditions along with a newly installed government promising economic reforms to stimulate the economy have led to a bounce in consumer confidence during the last month. However, the long term trend remains negative and the current bounce to 72.8 should not be viewed prematurely as a change in trend.

The exhibit below shows the CNBC-TV18 Boston Analytics Consumer Confidence Index between January 2008 and June 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 sub-indices registered a marginal uptick in June. The Current Situation Confidence Index increased by 2.1%, from 70.2 in May 2009 to 71.7 in June 2009. The Future Expectations Confidence Index also increased by 1.5%, from 72.3 in May 2009 to 73.3 in June 2009.

The CNBC-TV18 Boston Analytics Consumer Confidence Index has been showing a downward trend since its first sharp fall in March 2008. June’s bounce and improvement across various survey questions are encouraging. However, it is important to note that we would have to observe a

continuation of this bounce over several months before a change in trend can be declared. In particular, sentiment pertaining to consumer spending remains very weak.

"Our June survey shows that the Indian consumer is expressing hope, at least in sentiment, that current economic stimulus along with promises of economic policy changes being made by the new government may improve future economic conditions" said **Dr. Sam Thomas, Ph.D., Director of Research and Development at Boston Analytics**. "It is important to note that the bounce in the June reading is from very low levels of sentiment and is driven by hope that the general economy will improve. While the June reading does not yet indicate a change in trend regarding the personal circumstances of the consumer, we are encouraged by the diverse nature of the bounce across several categories of questions. What remains a concern is the fact that consumers remain pessimistic about job security and spending plans on durable goods. We also note that despite the fact that officially reported inflation numbers are falling Indian consumers remain convinced that retail prices are still too high."

#### **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](http://www.bostonanalytics.com)

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