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Employment outlook remains weak but enjoys a post-election bounce– points out Boston Analytics as part of its monthly Consumer Confidence Survey

July 3, 2009: The job market in India has been sending some mixed signals in recent months. The global recession has led to widespread job losses in export-oriented sectors such as gems, jewelry, textiles, and leather. Other sectors such as information technology, construction, aviation, financial services and real estate, which fuelled the rapid growth of the Indian economy, have also retrenched a significant percentage of their total work force,

However, at the same time, a strong and stable government at the centre has given a boost to business confidence. Companies appear optimistic about business conditions and are expecting domestic demand to grow. Sectors such as FMCG, food and beverages, banking, retail, energy, infrastructure, and pharmaceuticals have witnessed an upswing in hiring activity. Given these mixed signals, Here are differences in sentiment about different aspects of employment

Constituent Variables to Assess Overall Employment Outlook	Optimism Score			Three Month Broad Trend	
	Apr '09	May '09	Jun '09		
Observed change in the nation's <u>unemployment</u>	27.2	25.8	28.8	↑	Pessimism improves
Expected change in the nation's <u>unemployment</u>	28.3	24.7	29.6	↑	Pessimism improves
Observed change in <u>job security</u> at a personal level	34.9	34.8	32.8	↓	Pessimism gets worse
Expected change in <u>job security</u> at a personal level	56.8	54.7	54.3	↔	Optimism stabilizes
Ease in creating <u>alternative means of employment</u>	65.4	58.6	63.1	↑	Optimism strengthens

The optimism score measures the degree of optimism expressed by respondents about a particular issue. Optimism scores between 0 and 25 indicate that respondents are very pessimistic, 25 to 50 suggest pessimism, 50 to 75 signify optimism, and a score of 75 or more signifies extreme optimism.

Unemployment: While sentiment about the nation's unemployment continues to be pessimistic, there has been some improvement in the level of pessimism in the last month. In the June survey, about 24% of surveyed respondents observed a decrease in unemployment (compared to 12 months ago) compared to 21% in the May survey. On the expectations front, about 22% of respondents feel that unemployment will decrease in the next 12 months compared to 19% in the May survey. The Optimism score for expected change in the nation's unemployment increased from 24.7 in May 2009 to 29.6 in June 2009.

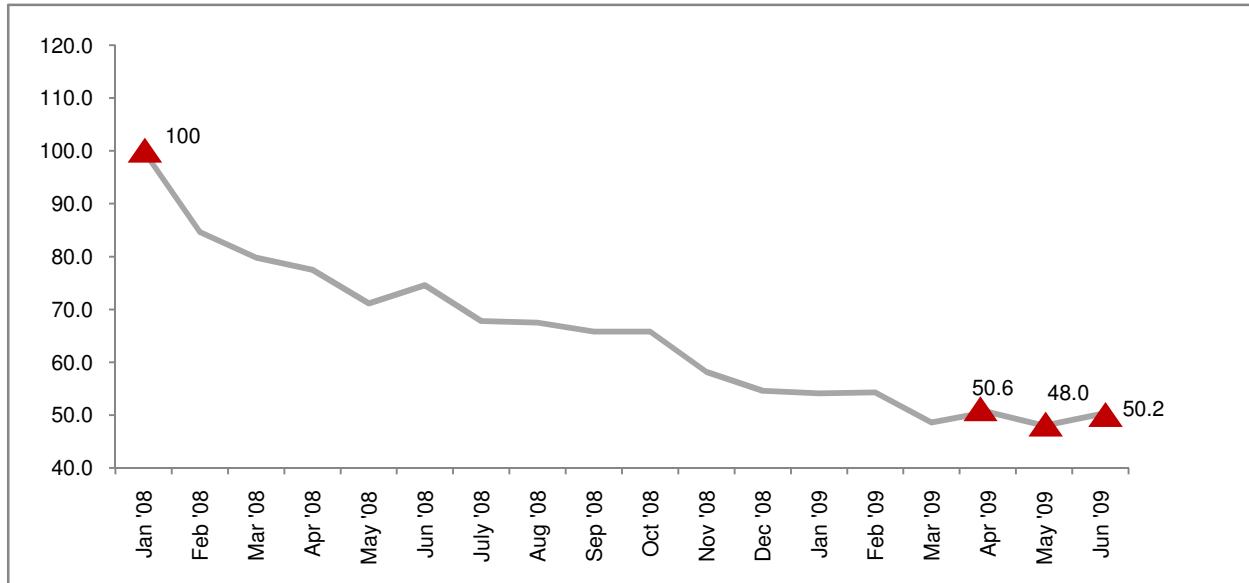
Job security: Sentiment related to job security on an observed basis has fallen again in the last month, reaching its lowest level since August 2008. In the June survey, approximately 52% of surveyed respondents observed (compared to 12 months ago) a decrease in job security compared to 48% in the May survey. The Optimism score for observed change in job security has fallen from 34.8 in May 2009, to 32.8 in June 2009. By contrast, sentiment related to expected job security in the next 12 months remained somewhat flat in the last few months. Approximately 39% of surveyed respondents in the June Survey reported an improvement in job security (compared to 12 months ago) an increase from 37% in the May survey. The Optimism score for expected change in job security has decreased by a very small percentage from 54.7 in May 2009, to 54.3 in June 2009.

Ease of creating alternative means of employment: Positive sentiment about the nation's macroeconomic outlook has translated into optimism about creating alternative means of employment. In the June survey approximately 43% of respondents reported that it would be easy to create alternative

means of employment in the event of the loss of his/her current job/business. The Optimism score for ease of creating alternative means of employment also increased from 58.6 in May 2009, to 63.1 in June 2009.

As a result of the rise in optimism regarding the availability of alternative job options and improving pessimism regarding the rate of unemployment, employment outlook registered a marginal improvement in June 2009 with a 4.6% increase.

Employment Outlook based on Boston Analytics' consumer confidence data



Employment Outlook is computed on the basis of observed and expected changes in the level of unemployment and job security at a personal level. It also captures consumers' confidence in creating alternative means of employment in the event of job loss.

For more information about Boston Analytics' Employment Outlook including how it can be used to inform HR policies, differences that exists by city, long term changes in optimism, etc. please contact:

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Consumer sentiment data is derived from a survey of monthly survey targeting 10,000 respondents cross 15 cities across fifteen Indian cities—Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Bangalore, Ahmedabad, Chandigarh, Nagpur, Kochi, Jaipur, Lucknow, Bhubaneswar, Patna, and Vishakhapatnam. A stratified sampling process was adopted for this survey, with the strata based on the socio-economic conditions of the respondents in order to ensure a proper representation of the population. All data is collected via face-to-face interviews.

About Boston Analytics

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